FILE COPY FILE COPY FILE COPY FILE COPY

Featuring Banking

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XVI SINGLE COPIES, 10 CENTS. PUBLICATION OFFICE: TORONTO, APRIL 28, 1922 ANNUAL SUBSCRIPTION $5.00 No. 17

LABORERS GET 25 CENTS AND BRICKLAYERS $1

Attitude of Latter is Delaying the Building Programs

NEW PLANTS COMING

American Manufacturers do Not Anticipate Tariff Changes—Move for Mixed Farming

An electrical construction firm which is at present installing a thousand horse power plant in Quebec province,not far from Ottawa, reports that wages for labor have just about reached the pre-war levels. The wages paid are about $2.00 per day and about $4.00 per day is being paid for teams, which amounts include food and lodging and provision for the horses. The same adjustment of the market for common labor is indicated in other districts. Track laborers were this week employed in Toronto for construction work at 25 cents an hour; this indicates a weekly wage of $15 a week and of this 85 cents a day provides for food and lodging.

From the statistics as to the cost of living it can probably be proven that such wages are lower than as yet warranted. But the fact remains that many men are prepared to take them. Further, a study of the situation indicates that it is only on the basis of such labor costs that new employment can be created.

Unions and Wages

As a matter of fact while these wages appear to be lower than the cost of living would warrant, they are the result of competition for work by the unemployed, many of whom could make a better living in the organized trades to which they belong if the union leaders would submit to an adjustment which would warrant employment of capital. The building trades are an outstanding example of this. The building program is away behind estimated requirements throughout the country. Costs of materials have been brought down to a sound basis. But labor costs are still too high to warrant any broad construction activities on the basis of profitable return on the investment. Just this week union bricklayers in Toronto discussed a proposed reduction from $1.00 an hour to 92½ cents an hour but opposed it. It is largely because the unionized bricklayer demands $1.00 per hour that the non-unionized worker must take 25 cents an hour.

The decision of the employees of the Dominion Power and Transmission Company to take a reduction proposed by the company under the basis awarded by a Board of Conciliation is, however, a significant incident of the more intelligent attitude being taken in the rank and file of some of the unions and the realization that it is better to take a reasonable reduction than to "kill the goose" of employment. When a larger number of workers are willing to adopt this attitude there will be a much healthier industrial situation and the employment problem will be automatically solved.

The General Situation

There is little change in the general situation. The latent buying power of the people is being indicated in some rather surprising ways. The demand for radio equipment is one of these. Manufacturers report bookings which cannot be filled for months. The demand for automobiles may also be regarded as well maintained when all conditions are considered. Real estate values show little indication of sagging. The stock market advance too indicates that the people have money and this is borne out by the fact that bank deposits at last report were still nearly double what they were before the war. There has been a decline from the peak within the protraction of the period of depression but this, after all, has not reduced the total to the extent that the buying power of money has been increased by the reduction in the market price of goods and commodities.

All this would seem to indicate that when an adjustment is reached where the income of the individual is sufficiently stabilized to warrant confidence, people will be more inclined to spend something from their reserves.

The bringing down of the budget should prove a settling factor in the situation but radical changes are not

(Continued on Page 9)

HE HAS OUR SYMPATHY

In connection with this banking number of THE FINANCIAL POST, a number of branch bank managers were asked if they had any suggestions as to amendments to the Bank act next year. From Vancouver comes a letter from a manager who "has been so busy in an endeavor to have the earnings of this branch keep up with the increased costs of operation—chief of which are municipal and provincial taxes—that I have not been able to give the matter very much thought."

Sault Citizens Pay to Foreign Relief Fakers

Name of Ottawa Minister Flashed by Slick Armenians

From Our Own Correspondent

SAULT STE. MARIE.—Some fifty citizens of Sault Ste. Marie should be greatly interested in the newspaper announcement that Armenian fakers in America have collected five million dollars for themselves, and have managed to abolish poverty in their own cases, according to the Sault Ste. Marie Daily Star.

The reason that these citizens of the Sault should be interested is because two of these alleged imposters spent several days here some time ago outlining the woes of Armenia, and with so much success by the time they got to the Star office, they had about three pages of a book filled with subscriptions of $1 and over.

The two men carried a letter signed by Hon. C. Doherty, Dominion Minister of Justice at the time.

When the Star read this letter it was in a very greasy state and had all the earmarks of a long and useful career. In it the Minister of Justice merely expressed the view that the Armenian nation should be helped. Apparently it is as easy for a faker to get a letter from a Minister of the Dominion Cabinet as it is for him to secure such a missive from a member of a township council.

The Star made one of the delegation very angry by asking some questions with regard to the mission of the two men. It wanted to know who authorized them to collect the money, and where the money was sent. They were able to show a letter from an alleged American prelate, and three money orders which had been forwarded to New York.

The Star was unkind enough to point out that the amount of money which they alleged they had collected since they left Toronto would not more than meet their own expenses, and during that time they claimed to have sent $700 to New York. The net result of The Star's inquiry was that the two men hurriedly left the city.

It now turns out that the whole country is organized by a gang of Armenians and Syrians who have battened on the credulous for years.

The next time you are asked to contribute to a foreign charity, perhaps, you had better call The Star, and allow it to make some inquiry as to the standing of the collectors.

C. A. Spreckles, president of Federal Sugar Refining Co., predicting a drop in sugar prices, says present is "fake market created by speculators and unjustified by conditions."

Hydro Power Plants Are 160,000 h.p. Short

As the result of recent mishaps at the Chippawa and Ontario Power plants of the Ontario Hydro the capacity of the system has been reduced by about 160,000 horse power. The load is being carried largely by the Electrical Development Company which has increased its deliveries by 60,000 horse power.

There is no reason to charge that public ownership inefficiency is responsible for the situation—accidents will happen—but the Hydro press might at least acknowledge that at times the power developed by the hated private interests can be put to public service.

The situation raises one important question, however. If 160,000 horse power can be cut off present production without seriously interfering with service what is going to be the situation, if, and when, Chippawa lives up to the optimistic forecasts of 500,000 horse power. And if such an amount can not be developed and successfully marketed Chippawa promises to be a heavy burden on Ontario manufacturers and other power consumers as well as taxpayers generally.

FIXED CHARGES NOT SHOWN IN RAILWAY REPORT

An Appalling Burden Which Increases Like a Snowball

FOOLING THE PEOPLE

To Hide These Charges by Book-keeping is Not Solving Problem—Sound Methods Necessary

Special Correspondence

OTTAWA.—The public will not be fully informed on the state railway situation until the annual announcement to Parliament is as explicit and analytical as is the official statement of a corporate road. At present all fixed charges attaching to nearly 5,000 miles of line are ignored, and it happens that those charges are very large. When, therefore, the annual loss is put at a certain figure, those who do not know of the omission are misled, while those who do know are unable to get any clear suggestion of the amount which should be added. The importance of the fixed charges which are shown, joined to those which are surmised, is now getting to be recognized by a growing number of inquirers; and as they come to be known, the operating loss takes a quite subordinate place.

A Heavy Bill

Nevertheless, it is now pretty generally understood that our National Railways are costing us more than $100,000,000 a year, which means that the fixed charges alone are about that much. By the test of sound accounting they are in excess of that amount. In his recent statement to Parliament the minister made that reasonably clear when he said: "The actual cost for operating deficits, interest charges to the public, and betterments, which is required to be provided for the current year is $84,956,552, as against $119,078,392 last year." As the sum allowed for betterments is $30,261,286 and $16,092,901 for operating loss, it will be seen that the fixed charges are nearly $39,000,000. But the key to the actual situation is to be found in the words "interest charges to the public." What is the volume of interest charges due to Goverment? The amount is very large.

A hint, and only a hint, is given in the minister's statement. Referring to the advances made to the Canadian Northern and Grand Trunk Pacific, which had a total of $333,568,551 up to 31st December last, Hon. Mr. Kennedy intimated that this did not include $57,908,307 of unpaid interest due to Government. Nor does it include any interest in the old Government lines and the Transcontinental, which cannot now be less than $40,000,000 a year. The fact is that in this whole matter, under proper ac-

(Continued on Page 4)

SCOTT METHODS DID NOT BRING RESULT

High-pressure Idea Evidently Failed in the Bridge Venture

—The differences between R. T. Scott, vice-president and manager of the R. T. Scott Company and A. F. Healy, president and evidently "boss" of the organization are not being cleared up by the conflicting statements issued by both parties. Mr. Scott declares that there was a divergence of views as to how the securities of the Detroit Windsor Bridge venture should be marketed and that he withdrew; Mr. Healy intimates that the situation was such that he had to "fire" Scott.

In any event one thing is emphatically emphasized and that is that Scott's quick-fire, high-pressure, once-over, new-school-of-finance methods have not been successful in getting investors to swap their Victory Bonds for Bridge debentures. Whether the project can be carried successfully through under such an unfavorable start remains to be seen but evidently Mr. Healy is considering means to secure capital by employing methods which have long been recognized as proper and sound in ventures of this kind—to convince reputable investment houses of the stability of the scheme and have them put the proposition before the public with their endorsation. If the proposition is an attractive one the established investment houses can be expected to find a market for the securities.

Government Inspection of Banks

AN OLD, experienced bank man tells us that the history of Canadian Banking reveals that failures have been caused not by unsound commercial credits but through unwarranted advances on securities. call loans. In this, he says, the Merchants Bank affair confirms past experiences.

Why cannot something be done to insure that bank advances are not made on securities in which gambling is being carried on? If the banks had to periodically give to the government a list of the securities on which they are making advances and particulars also of commercial credits of large amounts, there would be an opportunity to check things up and loans would undoubtedly be made with more care.

But government reports, however voluminous, are of no value if they are merely filed or printed without investigation. If the Department of Finance had an efficient, practical supervisor of banking it would be a comparatively simple matter to check returns. He could demand more particulars if necessary or make a personal inspection which would quickly bring results. With such official functioning properly there would never be an opportunity for the charge of a former inspector of the Merchants Bank that certain accounts were rotten back in 1915 and that nothing was done although the situation was so reported by him.

In this Banking Number will be found a broad discussion of the banking system in view of the periodical revision of the Bank Act next year—a revision which promises to be unusually important in view of the Merchants Bank affair, the strength of the Agricultural "bloc," and the willingness of certain radical elements to put the government into the banking business.

A number of suggestions are made by competent bankers to amend the Act to meet conditions. They include revision of section 83, the appointment of farmers to the boards of the banks, up-to-date publicity methods to tell the people about what the banks are doing for the public, etc.

Gaby's Figures were Misleading

BEFORE the public Accounts Committee of the Ontario legislature Chief Engineer Gaby of the Hydro Electric Commission declared that the report on Chippawa made in 1917 indicated:

> "For a 10,000 second foot canal, which would provide 300,000 horsepower, the estimate as nearly as I can recall, was from $27,000,000 to $29,000,000. That was without intake and without installation."

Reporting to the government under date of January 12, 1917, Mr. Gaby is on record as saying:

> "The total estimate for the cost of the work for 100,000 horsepower installed is $10,410,000. The total estimate for the cost of 200,000 horsepower installed is $13,215,000."

This report was made at a time when the Hearst government was very carefully considering costs in relation to the project in making a decision whether to go ahead with the project or await more propitious conditions.

Then a few months later the estimate was raised by Mr. Gaby to from $27,000,000 to $29,000,000 "without intake and without installation."

Was the report of January 1917 mere flummery for the public consumption? Mr. Gaby in it made no reference to 300,000 horse power to be developed. Nor can any reference be found to any additional estimate for "intake" or "installation." He did refer to increasing costs for machinery but declared this was covered by an additional 25 per cent. included in the estimates for engineering and contingencies, "more especially in view of the economies which are sure to be effected by the commission as the result of doing the work themselves." Power on the 200,000 h.p. basis was to be delivered at $7.50 per h.p. including charges for interest on capital expenditure, sinking fund, depreciation, maintenance, insurance, renewals and operation." The total cost is estimated at $90,000,000 to $100,000,000 and power has been figured around $50 a horse power, or more.

And yet there are still some daily papers, local politicians and labor agitators who attack THE POST and Hon. Mr. Drury for wanting to know what the real situation is before committing the taxpayers and power users to further expense. Public opinion is steadily swinging around to the Premier's support.

More And Not Less Directors Are Needed In The Cabinet

PARLIAMENT this week has taken a broad view of Andrew McMaster's proposal to compel all Cabinet Ministers to withdraw from big financial and industrial directorates. With the member for Broome we do not often agree. He is one of the most energetic and popular men in the House. There seems to be no question as to his courage and sincerity, but unfortunately he always seems to get only the close-up, narrow view of big business problems. Like Hon. Mr. Meighen, his legal training and great industry and close application to his desk have kept him down to the little technicalities.

It is strange that Mr. McMaster's chief support comes from Radicals, Labor, and Progressives who fought for years and finally succeeded in making a Trade Unionist Minister of Labor and make no demand that he should withdraw from membership in his Union. In fact, they bring such Trade Unionist pressure to bear upon him that often-times he is forced to act in the interests of his Union rather than on his better judgment and, in the interests of all citizens. The same thing may be said of the so-called Roman Catholic or Orange representatives in the Cabinets of the past. In fact, big business has been very unjustly treated. Save for a very short time, we have never had, until now, a business man as Minister of Trade. Such representatives as Business has had in the Dominion Cabinet have had to give more attention to party advantages than to the nation's business advancement. The Trade Unions and Farmers' Unions frequently issue drastic orders to their respective Ministers. We cannot recall any Director-Minister being subjected to such orders.

There are undoubtedly disadvantages in having men associated with great corporations in political cabinets. Many good business men, without giving the matter serious thought, support Mr. McMaster. They overlook the need for really capable men in these commanding positions. Men with administrative experience are very hard to get in this or any country. Such men are usually sought for and are to be found on the directorates of big corporations. Occasionally, family influences, inherited wealth or certain connections are responsible for their presence there. But the few of this class are a source of weakness as has just been shown in the Merchants Bank case.

The objection voiced by McMaster and his friends might be and is sometimes raised in the case of corporations—that men selected for directorates have advantages due to early or inside information or influence over the general run of shareholders but as a rule Canadian directors seldom take advantages of these positions.

There is an increasing recognition of the Cabinet being the Executive Council of a nation rather than of provincial, religious or special interests. The ideal of Hon. Mr. King and every modern cabinet maker is to fill his big ministries with the nation's best men. On the directorates in Canada we find the picked men of Canada and for our great National Directors of the Dominion Cabinet, it would seem good business to go to the directorates and take the pick of the picked men of the entire nation.

One of the great weaknesses of Cabinet life is that Ministers become so closely absorbed in their party interests and the routine of official duties and have such a tendency to adopt autocratic attitudes and aloofness that they get out of touch with national conditions and sentiments. There is nothing like rubbing shoulders from time to time with the practical men of the country to keep them out of ruts and up-to-date in business affairs.

GOVERNMENTS BEING HELD UP AT EVERY TURN

Hand-outs From the Public Treasury the Popular Fashion

WHEAT BOARD IS ONE

But Farmers Are Hardly to be Blamed When They See What Politicians Will Do With Money

From Our Own Correspondent

REGINA.—While there is a general agricultural demand for a compulsory wheat board, the question arises: Can the government afford to legislate—even though it possessed the legal right—for a minority, discriminating against the majority, particularly when such legislation would mean an increase in cost of foodstuffs which the great mass of consumers must purchase?

This is after all what the Wheat Board would mean. The consumer in Ontario and Quebec, the Maritime Provinces and British Columbia would pay more for their breadstuffs because the government would be assisting in keeping up the price. The great mass of consumers would not benefit by the farmer receiving more for his wheat but the farmer would benefit greatly by the preferential treatment, having the knowledge that although his products must compete in external markets with the products of other lands, in the domestic field he could secure an advantage because of government protection tantamount to a subsidy.

There is wide talk in Canada at the present time of organizing agriculture into a co-operative unit to be welded into a great world combine of farmers from Australia, New Zealand, the United States and the Argentine, a colossal organization designed to so regulate supply as to inflate the price of wheat and flour. The farmer is taking a leaf out of the packers' book. He sees that in unity there is a lot of money to be made.

Too Much Paternalism

Since the war governments have been the target for all sorts of hard-luck stories. If anything was wrong, from the fecundity of a heifer to a lack of rainfall, some prairie farmers have been in the habit of blaming the government. This applies more particularly to those farmers who are devoting the bulk of their energies to political matters and to operating their farms as a side line. In any case, governments have found themselves in much the same position as the man with a small income whose wife presents him with triplets—he was expecting a certain expense but is called upon to make an outlay three times as large as he had anticipated. Governments knew the after-the-war expense would be large but did not expect to find all classes and conditions clamoring for a hand-out.

Some people are inclined to ascribe this universal S. O. S. for government assistance to the fact that the Canadian race is becoming less hardy, showing less initiative than the forebears of the nation who accumulated blisters and hard-earned livelihoods and said never a word. The most charitable view is to attribute this begging from governments to the trait of human nature which cannot bear to see others receiving something without going after the unearned increment also.

There are hundreds of farmers throughout the west, however, who like the old-timers are plugging along, impervious to the distracting babel of hard-luck stories and able to make comfortable livings without the legislative hand-outs. One never hears a word of hard times from these; from this fact, one may assume that conditions in the west today are as good as ever for the worker—who will work.

CHEAPER COAL A BOON

A big factor favoring the railroads has been the decline in price of coal during the last year. Average price paid by railroads, including freight rate, reached its maximum in December, 1920, $4.80 a ton. New England roads, forced to buy coal in the shortage of 1920, paid as high as $10 or $11 a ton including freight. Throughout, their coal costs, of course, have been above the average because of their distance from the mines.

International Trading

IN international trade much depends upon the facilities at the command of your Bank. With its system of branches and agencies abroad, and with its organization of correspondents in all parts of the world, the Bank of Montreal can meet your requirements fully and promptly.

BANK of MONTREAL
ESTABLISHED OVER 100 YEARS
Head Office: Montreal
Total Assets in Excess of $500,000,000

The Bank of Nova Scotia

Established 1832

Capital .... $ 9,700,000
Reserve Fund 19,000,000
Total Assets 225,000,000

GENERAL OFFICE - TORONTO, ONT.
H. A. Richardson, General Manager.

Branches at all the principal centres throughout Canada and in Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica, and in the United States at—
Boston Chicago New York
London, England, Branch,
55 Old Broad Street, E.C. 2.

Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.
Correspondence Solicited.

Foreign Banking Service in Canada's "Queen City"

The Union Bank of Canada placed a branch of its Foreign Department in Toronto, because of the importance of the "Queen City" in national and international commerce.

This location and private wire connections between branches in New York, Montreal, Toronto, Winnipeg, and connections with Vancouver, enable us to keep closely in touch with conditions in Canada and abroad.

Through continual operations in the exchange markets of Canada, the United States, Great Britain, and world centres, we are able at all times to handle international exchange at closest possible rates.

Union Bank of Canada
911

The Weyburn Security Bank
Chartered by Act of the Dominion Parliament
TWENTY-FIVE BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

Foreign Exchange

IN direct-wire touch with the world's money markets, and through representatives abroad and close association with strong foreign financial institutions, this Bank is able to secure the closest possible exchange rate on drafts and bills of exchange.

THE STANDARD BANK OF CANADA
404R
Head Office - - - 15 King Street West
16 Branches in Toronto

Colonial Bond

Selecting Paper
With an Eye to Fitness

Commercial stationery—like clothing or furniture—should be chosen with equal consideration as to style, coloring and value.

The appearance of your business letter is just as important as your own personal appearance. "COLONIAL BOND" is a superior, tub-sized, rag content stock with that finish—that appearance of quality which proclaims its fitness for many commercial purposes. It is made in white and colors by The Rolland Paper Company, Limited, Montreal — makers also of "Superfine Linen Record," "Earnscliffe Linen Bond," "Empire Linen Bond," and "Mount Royal Bond."

Your enquiry brings a sample by return mail.

The "R Shield" Watermark

THE AMERICAN MANUFACTURERS LOOK TO CANADA

Do Not Expect That the Tariff Will Be Reduced

MORE PLANTS COMING

The Made-in-Canada Campaign Said to Have Offset Improvement in Situation in Exchange

From Our Own Correspondent

NEW YORK.—Mainly as a result of the recent improvement in the business outlook, American manufacturers are again beginning to show an interest in Canada as a possible location for branch plants. During the past month the various Canadian agencies in the United States which attempt to furnish American manufacturers with information in regard to Canada have experienced a greatly increased demand for information of the kind they dispense and tell your correspondent that Canada is about to witness a renewal of that movement northward of American manufacturers that during 1919 and 1920 reached such large proportions. While temporarily this tendency on the part of American manufacturers with Canadian business to establish branch plants in Canada was checked early in 1920 by the business depression which hit the world in that year, the fundamental reasons for such a movement have not changed greatly since then if one omits the marked improvement in the value of the Canadian dollar in the United States during the past six months.

The Canadian Custom tariff is as much an obstacle to the American manufacturer doing business with Canada as it ever was and the hope that it would be lowered when the Mackenzie King Government came into power, a hope which many a manufacturer held for over two years, has now apparently gone a-glimmering, they tell me. As several American manufacturers have pointed out to your correspondent during the past week, Canada is apparently determined to maintain her protective tariff largely unchanged. This fact assures the American manufacturer who establishes a plant in Canada of a degree of protection from foreign competition sufficient to insure suc- ing districts in North America.

The Made-in-Canada Idea

Then as one chemical manufacturer, whose name your correspondent is not in a position to give as yet, who has practically decided to establish a plant in the city of Winnipeg, pointed out, the "Made-in-Canada" movement is beginning to have an increasingly important effect on the buying habits of the average Canadian consumer. In spite of the relatively high value of the Canadian dollar in the United States, as compared with its value during 1920, and the marked business revival which is beginning to affect certain lines in Canada, it is almost as difficult to sell American made goods in Canada to-day as it was when the discount on the Canadian dollar in the United States hovered around ten and twelve per cent. and the business depression was at its worst. Canadians will not buy American made chemicals, this man told me, so long as they can obtain Canadian chemicals of an equal grade. "We are planning to erect a fertilizer plant in Winnipeg," this man told me, because we regard the Canadian Northwest as potentially one of the richest farming districts in North America.

Has Been Losing Business

The immediate cause of the company's decision to establish a plant in Western Canada, he told your correspondent, was the fact that for three years their business with Eastern Canada has been decreasing.

Another chemical manufacturing corporation which has decided to locate in Canada is the Arabol Manufacturing Company, with headquarters in New York City. This organization manufactures such material as gums, resins, shellacs and varnishes. It has completed arrangements to place a fully equipped manufacturing plant in Brampton, Ont. and expects according to one of the officials to begin manufacturing on a fairly extensive scale at an early date.

The Arabol Company's decision to locate in Canada was actuated so your correspondent is given to understand, primarily by a desire to retain its Canadian business intact and partly by the belief that the lower costs and the more moderate Canadian tariff agreements with the other parts of the British Empire would make it possible from Canada for the company to further extend its already large business.

But while conditions in Canada are now apparently growing more favorable to the American manufacturers of the type of the Arabol Company, several of a somewhat different type, with whom your correspondent has had conversation during recent weeks, are finding their plans to build Canadian plants knocked on the head by recent developments.

During the war and the period of high prices which prevailed immediately after the signing of the armistice, the so called "nut butter" manufacturing companies in the United States built up quite a presentable volume of business in Eastern Canada. The high price of butter during the war years had induced the Government to lift its restrictions on the manufacture and importation of "oleo." The dairy farmers of Eastern Canada did not offer their customary objections to the manufacture and importations of oleomargarine because in most cases they were obtaining such high prices for their butter that the competition of the American margarine manufacturers did not interfere to any extent with their market in the industrial centres of the East.

This situation looks so promising that a number of the large manufacturers of artificial butters in the United States, notably the Nucoa Company of New York, one of the subsidiaries of the Standard Oil Company, virtually decided to establish Canadian plants. This decision they held to until quite recently, merely awaiting the arrival of better conditions, before taking the final steps. Unofficially they were assured that the Canadian Government would extend from year to year the regulations governing the manufacture of oleomargarine.

CANADIAN EXPORTS TO BELGIUM FALL OFF

Surplus of War-time Food Supplies Are Now Being Absorbed

For the twelve months ending December, 1921, the total Canadian exportations to Belgium were $13,756,372 as compared with $47,717,448 in 1920 and $19,438,484 in 1919. That the decline registered in 1921 in Canadian exports to Belgium is continuing is shown by the figures for the twelve months ending January 1922 —$12,642,495.

The commerce Intelligence Journal in commenting on this decline quotes an American food importer who is of interest.

"The reason for the cessation of buying appears to me to be very apparent. During the war and after the Armistice the Belgian Government purchased enormous quantities of preserved goods. On the return of the Government the Ministry of food was formed, which in its turn bought very large quantities of food products. Some time ago the Belgian Government decided to suppress the Ministry of Food and steps were taken to liquidate these immense stocks of canned goods, etc. Then, too, all the purchases of the Ministry of Food were made at very advantageous prices and at almost par of exchange, with the result that the resale price was very low. This stock has been sold at cost price if not less. Wholesalers here have purchased very heavy lots of preserved goods at these reasonable prices. As the stocks are enormous, it will be some time before the need of further purchases abroad will be felt in a serious way."

Inquiry at the Ministry of Food elicits the information that all the stocks were disposed by them six months ago, and it is supposed that these are now in the hands of jobbers and are interfering with the regular importations.

MEANS DEARER COAL IF MINERS WIN OUT

Operators Find That Advance Demanded by Miners Would Raise Price $3 per Ton

Anthracite operators through one of their officials, present statistics against the miner's demands for an increased wage scale and in support of their contention for a decrease. Operators' analysis of increases under preent demands put labor costs increase at $170,000,000 annually, which, if applied to 53,000,000 tons of domestic sizes would amount to more than $3 per ton increase in mine cost. Increase of $170,000,000 added to war increases, plus 17.4 per cent. increase in 1920, would amount to increase between 1914 and 1921, of 162 per cent.

Year	Production	Labor Cost
1921	Tons 64,000,000	$260,000,000
1920	65,500,000	252,175,000
1919	66,000,000	225,500,000
1918	72,250,000	195,000,000
1917	74,000,000	145,000,000

Operators claim they desire to pay good wages but insist on regularity of employment as more important than the rate of pay. The real problem is said to be inauguration of the wage scale which will permit production of anthracite at price satisfactory to the consumer, for finally, if the price is too high, consumption declines and irregular employment results.

International Paper Adopts American Plan

Philip T. Dodge, president of the International Paper Co., with a plant at Three Rivers, P. Q., and owning large areas of timber limits in Canada, speaking at the annual dinner of the American Pulp and Paper Association said: "I am unalterably opposed to any third party trying to run our business. The strike we had a year ago was directed especially against my company and was most unfair. We are now organized and are running our business on the American plan. We deal with our men and pay them the highest prevailing wages and do everything for their comfort that is possible."

OPERATE BRANCH RAILROAD LINES WITH MOTOR CARS

Motor Coaches Displacing Steam Equipment in United States

ECONOMICAL WORKING

Demonstrated Saving of 50 per Cent. in Operation of Gasoline-driven Cars Over Steam-Equipped

Recent experiments with gasoline-driven cars and comparative tests of operation with this form of equipment and steam trains, hold out the hope that the passenger service now conducted at a loss by many railroads may be turned to profit. Of our many thousands of miles of railroads there is about 19 per cent. of the country's mileage that is especially adopted to this change. In Canada one of these tests is being carried out by the Government. As it has only been running a little while, however, no complete comparisons can be made as yet. In the United States there have been extensive tests carried out during the past few years.

The new motor cars are not suited for service on the long, fast runs nor on short congested runs, such as those in suburban traffic, where the motive power is usually electricity, but they have demonstrated that they have a field in the short runs where population is sparse and travel is light. In the case of branch lines, the main-line profit takes up the deficit, but almost always without exception deficits arise from this form of service.

These motor cars are designed to seat from 25 to 45 passengers and to maintain a speed of 25 to 30 miles an hour on level track and for heavy grades they are specially geared. In the case of steam operation, the lightest equipment possible is a locomotive, a tender and a combination passenger and baggage car. With a load of 35 passengers the weight is 4,000 pounds per passenger, compared with 400 pounds for gasoline-driven car.

Demands of Labor

As with many other mechanical and engineering devices, this one was promoted by the demands of labor. Take an illustration: A steam train carrying a minimum crew of four, leaves for a 15 mile run on a branch line after meeting the morning train on the main line. The run takes an hour and the branch-line train starts back in time to meet the evening train, on the main line 12 hours later. The four members of the crew receive straight time for eight hours and time-and-a-half for four hours later. There are instances where the members of such a crew average to receive in wages for two hours' actual work more than the mayors of the towns between which they run or the presidents of the local banks.

The first thing the motor car does is to reduce the number of the crew by half and the actual pay is cut in half, for they would be paid only for the time that they would be operating the motor car.

Pittsburgh and Shawmut

The Pittsburgh and Shawmut Railway has two motor cars in operation, one out on a 98 mile run and the other on an 83 mile run. The wages of the crew on these runs are respectively 17½ cents and 22½ cents per train-mile. The cars average 6.8 miles to a gallon of gasoline. According to D. C. Morgan, vice-president of the road, the total cost of operation including wages, materials and supplies, fuel and for depreciation, amount to 35 cents a mile. The cost of light steam equipment based on the same method of ascertaining cost is 71 cents or more than double. By giving more frequent service they have been able to develop business that would not have otherwise been obtained and this result may be expected to follow wherever motor cars are put into use.

Field for this Equipment

The New Haven Railroad following the experience of several months with these cars, has ordered more and on this system alone there are 37 branches where this substitution can profitably be made. In Canada, we will often find two or even three main lines running to a large centre and with many branch lines radiating off to the towns on either side of the tracks. By the gradual substitution of these motor cars a greatly improved service could be given at materially lowered costs. Also this extended service would swell the volume of traffic on the main lines to the great advantage of the railroads.

HOME BUILDERS
The most delightful locality to build your home is on the Hill near Upper Canada College. It is a high-class restricted district, rapidly increasing in value.
$40 to $85 per foot
H. R. DOUGLAS, Mail Bldg.
Adel. 3835

THE UNION BANK OF AUSTRALIA, LTD.
Established 1837. Incorporated 1880.
Capital Authorised and Issued £9,000,000
Capital Paid Up £2,500,000
Reserve Fund £2,750,000
Reserve Liability of Proprietors £5,000,000
Head Office 71 Cornhill, London, E.C. 3
The Bank has 182 Branches, viz.:
In Victoria 42
In New South Wales 38
In Queensland 19
In South Australia 14
In Western Australia 20
In Tasmania 3
And in NEW ZEALAND .. 46
Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Incorporated 1855
Capital and Reserve $9,000,000
128 Branches in Canada
The Molsons Bank
When travelling, carry the necessary funds in the form of Letters of Credit issued by The Molsons Bank. With its agencies in almost every part of the civilized world, these Letters of Credit are readily cashed and absolutely safe.
EDWARD C. PRATT
General Manager

Business Founded 1795
American Bank Note Company
Incorporated by Act of the Parliament of Canada
Engravers and Printers
Bank Notes and Cheques
Corporation Bonds
Stock Certificates
Municipal Debentures
and Other Monetary Documents
Head Office and Works: Ottawa
Branches:
Montreal Toronto

BUILDINGS
Erected
Repaired
Appraised
For any purpose in any part of Canada
POOLE CONSTRUCTION COMPANY, LIMITED
Contractors and Engineers
Regina - Sask.

Vol. I. $4.50 1921 Vol II. $5.50
Municipal Bookkeeping and Auditing
By O. J. Godfrey, F.C.A.
Vol. I.—Rural Municipalities, Telephone Companies, Schools, Hospitals, &c.
Vol. II.—Complete System of Municipal Accounting, Instalment Debentures, Annuity Debentures, Sinking Fund, &c., &c.
The Carswell Co., Limited
145-149 Adelaide St. W. Toronto, Can

Anglin-Norcross
(LIMITED)
Contracting Engineers and Builders
MONTREAL TORONTO HALIFAX

PRACTICAL BUILDINGS
COBB
ARCHITECT, TORONTO

BURNETT, PORTEOUS & CO.
STOCK & BOND BROKERS.
MEMBERS MONTREAL STOCK EXCHANGE
17, St. JOHN STREET. MONTREAL.
TELEPHONE MAIN 8385-6

Robert Cassels W. G. H. Browne
A. M. Brown
Cassels, Browne & Co.
Members Toronto Stock Exchange
318 Dominion Bank Building
TORONTO
Direct Private Wire to New York, Chicago and Washington

Harold M. Allan, B. A., Neil J. Taylor, B. A.
ALLAN, ALLAN & TAYLOR
Barristers, Solicitors, Notaries.
506-508 McCallum Hill Building.
Regina Sask.

CROSS, JONAH, HUGG & FORBES
Barristers, Solicitors, etc.
J. A. Cross, K. C., E. B. Jonah, R. W. Hugg, G. W. Forbes.
409 McCallum & Hill Block
REGINA, SASK., CANADA.
Cable address "Cronah."

McAra Bros. & Wallace
Financial, Insurance and Investment Agents
1855 Scarth Street, REGINA

TRUAX & COMPANY
Investment Bankers
17 St. John St. Montreal
Main 3618-3619

H. L. O'ROURKE
BARRISTER, SOLICITOR, NOTARY
Special attention given to Eastern Business
SUITE 403 MACLEAN BLOCK
CALGARY, ALBERTA

Safe Reliable
TIMBER ESTIMATES
Reports and Maps
JAMES W. SEWALL
Forest Engineer
Old Town, Maine, Munsey Bldg., Washington, D. C.

The Mercantile Agency
R. G. DUN & CO.
Consult us before extending credit or if customers are delinquent.
Canadian Offices:
Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.
Address enquiries to
R. G. DUN & CO.
Dominion Bank Bldg., Toronto, Can.

ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter 1727
Paid-up Capital .... £ 2,000,000
Rest and Undivided Profits.. 1,241,777
Deposits 40,740,031
Head Office:
St. Andrew Square, Edinburgh.
Cashier and Gen. Mgr., A. K. Wright.
Secretary, J. B. Adshead.
London Office—3, Bishopsgate, E.C. 2.
Alex. Dick, Wm. Whyte, Joint Mgrs.
Glasgow Office—Royal Exchange Square and Buchanan Street.
Thomas Lillie, Agent.
175 Branches throughout Scotland.

Banking business of every description transacted. Deposits received at interest, repayable at call or at notice. Drafts, Circular Notes, Letters of Credit, and Cable Transfers issues—available throughout the world. Foreign Exchange. Accounts opened and Agency business undertaken for Foreign and Colonial Banks and other financial establishments. Correspondence invited.

President Fitzgerald, of the railway clerks' brotherhood, tells U.S. labor board government clerks receive 46 per cent. more pay than railway clerks, and objects to comparing clerks' pay with those in private industries. Wage reduction would only benefit roads, he says, adding that rates would not be cut.

CONFISCATION IS TERM APPLIED TO N. B. POWER BILL

N. B. Power Company Hard Hit by City of St. John Legislation

SHAREHOLDERS HIT

Serious Objections Are Also Raised on Behalf of Widows and Other Holders of the Bonds

Despite the charge that it amounted to confiscation, special legislation has been passed by the New Brunswick House giving to the city of St. John Power to take over the gas and electric railway systems of the New Brunswick Power Company, to operate them and to dispose of them, if necessary, to make up for any deficits incurred in such operations. The company has been losing money on the operation of the gas and railway system but has been able to make it up on its rates for light and power. Now the city proposes to take power developed by the Utilities Commission of the province and distribute it in competition with the private company, forcing the latter to bring down its rates for light and power and to shoulder the deficit on the other services.

In reviewing the affairs of the company before the Legislative Committee, F. R. Taylor, K. C., pointed out that in 1917 the company took over the St. John Railway Company, the legislature approving of the transfer and ratifying it. Various bond issues were made and because of increased operating costs during the war it became necessary to apply for increased rates. The legislature fixed the rate base at $3,100,000 and the rate at such amount as would return the company 8 per cent. or $248,000 a year with 1 per cent. extra for expenses. Shareholders and bondholders bought bonds and shares of the company, but the evident assurance of dividends was not well founded. Two dividends were passed last year only $35,000 being paid. On second preference stock the company is in arrears twelve quarterly dividends. In the face of this, $100,000 was paid last year to the city of St. John in taxes, rates, etc., which was about three times what the investors got.

The Shareholders' Right

The company has been investigated and re-investigated each year since 1918 and shareholders feel that they have a right to expect protection and a return on their investment. The company, it is generally acknowledged, has been efficiently and economically managed. The bill now passed obviously threatens the destruction of the whole organization.

On behalf of the company Mr. Taylor gave assurance that rates would be reduced; the Public Utilities Commissioners could go over the company's books and see if it were possible in any way to make the rates even lower. The company realized that the Musquash development was for the public and wanted no profit from it. All it wanted was not to be knocked on the head and robbed while down. The city had the right to expropriate under the act of 1921 and could make use of it at any time, but the proposed bill was brought in to avoid expropriation and to get the property for nothing.

Bondholders Ignored

Speaking for the Canadian Bond Dealers Association, J. M. Robinson, declared that the measure was so drastic that it was nothing short of confiscation. The right was being given to the city to step in and take the property irrespective of the rights of the bondholders. The enactment of the bill would introduce a principle which would mean that no charter granted by the province would be safe.

Rupert Taylor, postmaster of East St. John, appeared as a small investor. He made his investment on the belief that the legislature had authorized the New Brunswick Power Company to earn a dividend on $3,100,000. There were hundreds like himself; this bill could hardly be surpassed by Bolshevism. James Murray, representing the Eastern Securities Company, declared that much stock had been sold on the understanding that the rate base was $3,100,000. Many of the investors were widows. The present bill meant confiscation and the loss of practically every dollar put in the company. The company was giving a satisfactory service and if the city wanted the property it could buy it at a fair price.

The city in going into the power distributing business is doing so against the advice of its own expert who advised that it is economic waste to build a second distributing system when there is an efficient system already in existence.

RAILWAY STRIKE IN HAMILTON AVERTED

Street Railway Men Accept Wage Cut Offered by Company by Majority of 52

The serious strike threatened by the employees of the Dominion Power and Transmission Company of Hamilton was settled on April 23, by a majority of 52 votes, when the ballots of the members of the three unions involved were counted. By this vote the men accepted the cut of 6 per cent. to mechanics and 8 per cent. to street railway employees, offered by the company. It was found that the men employed on the suburban radial lines and the steam and electric engineers employed in the power houses voted almost solidly for refusing to accept the company's offer. The street railway men on the other hand piled up the majority for the acceptance of the offer. Figures given out by the representatives of the men showed that only 22 employees of the suburban lines and power houses voted for the offer.

When the results of the ballot were made known to the company, Mr. Coleman, the general manager, said that the finding would end all trouble as far as the company was concerned and the Dominion Power and Transportation Company would carry out the agreement to the letter.

The men accepted the finding of the majority and while some were not pleased with the result there would be no attempt to dispute the vote union officials were assured. This decision will end all negotiations between the company and the men. The new agreement was signed on Monday April 24 by the parties.

BUILDING IS FAIRLY BRISK IN EDMONTON

Considerable Construction is Planned in Surrounding Towns and Villages

Construction reports from Edmonton and vicinity indicate that a fairly brisk building season is opening up. There will be a good deal of house building, mostly of the cottage type. In the business blocks, the largest yet in sight is a three-storey office and store building, to cost $60,000. The Misericordia Hospital will build an extension at an estimated cost of $250,000 and two units of a new home for the mentally defective children will be built this summer by the provincial government.

News from the surrounding country shows that there will be considerable building activity in some of the nearby towns. Vermilion will erect a new town hall; the local United Farmers are building a hall at Métiskow; at Rinistik a community hall is to be built; a $30,000 garage is going up at Stony Plain; the Alberta & Great Waterways Railway is building a round house at Waterways, the end of its line; Clairmont, in the Peace River country, will build a hospital; new creameries are planned for Peace River town and Wetaskiwin; and from all parts of the district come reports of general activity.

STATIONS AND STATIONS

Chauncey Depew made one of his usual clever after-dinner speeches in London not long ago and a British peer noting the big ovation the speaker received turned to an American sitting near and asked: "Who is this chap, Depew? Of what class is he in your country, what station does he occupy?"

"Station?" queried the Yankee. "Why the Grand Central Station, of course."

"Oh, I see," said his lordship, "you mean upper middle class."—Wall Street Journal.

How Germany Makes Foreigners Pay

Here are some interesting figures with regard to Germany's payments of the Reparations Account:

Total amount paid up to March 31, 1922 (direct payments in cash)	$295,000,000
Total estimated loss by foreign speculators owing to depreciation of mark (high authority in the *Times* March 25)	575,000,000

The profit made by Germany on account of mark depreciation is thus nearly double the total cash payments which the Reparations Committee has been able to extract.

Germany has also made deliveries in kind to the value of	$750,000,000
Add direct cash payments	295,000,000
And we have a total of	1,045,000,000
Total cost of armies of occupation to May 1, 1921, was	$1,000,000,000
Cost since then, estimate at least	250,000,000
Total	$1,250,000,000

So that Germany has not yet paid, in all, enough to cover the cost of the occupation and there is hot one cent available for reparations proper.

It has cost the allies more than 100 per cent. to collect the cash they have received.

PULP AND PAPER INDUSTRY IN U. S. MAY "AMBULATE"

Warning Against Losing Raw Materials and Migrating to Canada

COSTS LESS IN CANADA

Mechanical Pulp 23 Per Cent. Lower and Chemical 19 Per Cent.—Huge Investment Needed

From Our Own Correspondent

MONTREAL.—For some months past Canadian newsprint mills have been outstripping the United States mills in securing orders for newsprint to such an extent that while the Canadian mills are now running far ahead of this time last year the United States mills are still behind their output for 1921. In the Annual Pulp & Paper number of THE FINANCIAL POST published last September it was stated that during the past ten years Canadian mills had increased their production infinitely more rapidly than the United States mills.

Frank B. Willis at the banquet of the American Paper and Pulp Association held in New York a few day ago made some remarks that will be gratifying to investors in pulp and paper securities in Canadian mills. It was in the nature of a frank talk in regard to a sturdy competitor. Mr. Willis remarked that "if the pulp and paper business is permitted to become ambulatory it will walk clear out of the country and across into Canada. We must keep it at home where it belongs so far as economically possible." He went on to say:

"Canada is a vigorous, friendly competitor. She can produce mechanical pulp 23 per cent. lower and chemical pulp 19 per cent. lower than it can be produced here."

Two Year's Products to Equal Investment

This means that even with the new duty suggested of 5 per cent. on Canadian chemical pulp going into the United States Canadian mills still have a good margin over those of the United States. Mr. Willis' reference to the pulp and paper business becoming "ambulatory" that is, inclined to take a walk over the border, was induced by some figures which he had just been quoting in regard to the heavy investments required in the manufacture of pulp and paper. He said that the latest available data shows 718 establishments engaged in the manufacture of pulp and paper or both, with an investment of capital amounting to $550,000,000. These plants employed 90,000 men; paid out $53,000,000 in wages and turned out an annual finished product of $335,000,000. He remarked that it took approximately two years' products to equal the fixed investment. This he said indicated a very high investment of capital as compared with other industries and constituted one of the serious problems of the business. The turnover is too slow, the dependence too great, and the risk too serious to make investment attractive. I saw one paper machine at work in Wisconsin that cost $300,000. Such machinery is too bulky and costly to be moved from place to place, and hence a constructive program to supply essential raw material in the immediate vicinity must be adopted." This led on to his remark about keeping the pulp and paper industry from "walking" across into Canada to get the raw material.

He went on to state what the Association was trying to do to keep the industry in the United States. This was as follows:

"Your association has been active and far sighted in preparing a program as helpful to the general economic conditions of the country as it is essential to the maintenance of the pulp and paper industry as part of the symmetrical economic life of America. In brief, the plan contemplates National and State legislation looking to surveys and classification of forest lands, both public and private, and appropriations for protection, care and management of forests, and the distribution of forest-planting material; further appropriations for acquiring by National and State governments, either by direct purchase or by exchanging timber land for cut-over land, regions suitable for permanent forests; appropriations for tree-planting research and investigation; revision of the tax laws in the direction of offering an inducement to private forestry; and co-operation between private owners and Government in fire protection."

An ounce of gold in the United States will purchase only 17 hours of labor; in Canada, 40; over 50 hours in Great Britain; 95½ hours in Japan; over 117 hours in France and 201½ hours in Germany.

Ratio of unemployment in British trades unionism at the end of February was 16.3, compared with maximum of 23.1 last June, 8.5 in February 1921, and 1.6 in February, 1920. February showed decrease from December and January.

THE ROYAL BANK OF CANADA
Statement to the Dominion Government (Condensed)
March 31, 1922
Head Office MONTREAL

LIABILITIES	
Capital Paid Up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	905,044.98
Notes in Circulation	27,919,617.14
Deposits	381,990,375.26
Due to other Banks	12,721,293.34
Bills Payable (Acceptances by London Branch)	2,349,284.38
Acceptances under Letters of Credit	5,877,778.49
	$472,563,393.59
ASSETS	
Cash on Hand and in Banks	$ 99,726,512.29
Deposit in the Central Gold Reserves	10,000,000.00
Government and Municipal Securities	33,048,120.65
Railway and other Bonds, Debentures and Stocks	16,420,453.72
Call Loans in Canada	18,879,159.59
Call Loans elsewhere than in Canada	24,906,049.24
	$202,980,295.49
Loans and Discounts	250,565,119.58
Liabilities of Customers under Letters of Credit as per contra	5,877,778.49
Bank Premises	10,938,992.86
Real Estate other than Bank Premises	942,436.97
Mortgages on Real Estate sold by the Bank	273,770.20
Deposit with Dominion Government for Security of Note Circulation	985,000.00
	$472,563,393.59

697 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.
Paris Auxiliary—THE ROYAL BANK OF CANADA (France)

When Stephen Leacock Met the King

"It was on the G. T. R. platform in Orillia, Ontario, when he was Duke of York....No doubt he would recall it in a minute....Bob Curran—Bob was Mayor that year—went up to him and shook hands and invited him up to the Orillia House, where he had a room reserved for him. George Rapley, the bank manager, said that if he wanted a cheque cashed or anything of that sort to come right into the Royal Bank and he would do it for him. The prince had two aides-de-camp with him and a secretary, but Bob Curran said to bring them uptown, too, and it would be alright. We had planned to have an oyster supper for the Prince at Jim Smith's hotel and then take him either to the Y. M. C. A. pool room or else over to the tea social in the basement of the Presbyterian Church. Unluckily the prince couldn't stay. It turned out that he had to get right back into his train and go on to Peterborough, Ontario, where they were to have a brass band to meet him, which naturally he didn't want to miss." In the

These Famous Illustrators! All in one issue.
H. WESTON TAYLOR
R. M. BRINKERHOFF
ARTHUR WM. BROWN
C. W. JEFFERYS
LOU SKUCE
W. HATHERELL, R.I.
DUDLEY SUMMERS

May 1st MacLean's

Canada's famous humorist goes on from this facetious start, in his best "Sunshine Sketches" style, to draw witty, apt and illuminating contrasts between Canadian and British politics.

OTHER FEATURES
The Lost Stirrup—By W. A. Fraser.
A Woman Detective's Story—as told to Gertrude E. S. Pringle.
The Sixth Thing—By Ben Ames Williams.
Her Feet Were Crossed—By Alan Sullivan.
The Temple of Silence—By G. K. Chesterton.
J. K. Munro—Political Pundit—By Harry W. Anderson.
An Interesting Session, Forsooth!—By J. K. Munro.
Satisfied Labor Will Stick—By J. L. Rutledge.
Ovington's Bank—By Stanley J. Weyman.
Yukon M.P.'s Wife's a Real Sourdough—By Anne Merrill.
Woman Does Pay Financially!—By Electa d'Arville Sanders.
So Women Really Pay?—By Madge MacBeth.
Bonds and Stocks Continue Steady Rise—Sensible advice and comment for shrewd investors.

REVIEW OF REVIEWS

What is Ford Really Like?	Aaron Harvey Ulm
Varsities Will Unite Empire	D. Fraser Harris
Democracy Unduly Jealous	Viscount Haldane
Code Error Lost Spain Cuba	Walter Scott Meriwether
Prehistoric Telephone Days	Alexander Graham Bell
Communism a Real Menace	Viscount Long of Wrazall
Europe's Youngest Premier	Vienna Neue Freie Presse
Why Are Some Men Leaders?	Isaac F. Marcosson
Who Are the Moplahs?	Manchester Guardian

At All News Stands 20c.
MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"
Get Yours Today 20c.
Or send $3.00 for a Year's Subscription to MACLEAN'S MAGAZINE, 143-153 University Ave., Toronto

To Help You Choose Wisely

Our recommendation of stocks listed on the Toronto Stock Exchange, yielding from 7% to 9%, is contained in a special market letter which we will gladly mail on request to anyone intersted.

If you have funds to invest, this analytical letter will assist you in making a judicious selection.

Write for a copy to-day.

Graham, Sanson & Co. Limited
INVESTMENT BANKERS
85 Bay Street TORONTO
37 James St. S. HAMILTON

Matachewan

A Gold Camp Rich in Promise and with a Brilliant future Seemingly Assured.

In this camp are combined the outstanding qualities of both the Porcupine and Kirkland Lake districts—the largest gold producing areas in Canada and rated among the foremost in the world.

Secure a copy of the Ontario Government Report on Matachewan.

Write or telephone us for the latest detailed information on this camp.

Important developments now taking place.

F. C. SUTHERLAND & Co., Limited
Investment Brokers
4 and 5 King Edward Hotel Building
TORONTO, ONT.
Phones Main 6204-5-6

To Yield 7½%

We offer the exceptionally well secured 7% First Refunding Mortgage Sinking Fund Gold Bonds of the Howard Smith Paper Mills at 95 and interest to yield 7½%.

The business reputation and financial history of Howard Smith Paper Mills is sufficient assurance to investors of the value and desirability of this investment.

Denominations $100, $500, $1000.

Write for prospectus.

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO

8% - 50% - 100%

The Monarch Mortgage & Investments, Limited, 8% Cumulative Preference shares offer you an exceptionally sound and profitable investment. The 50% bonus of Common Stock given with these shares entitles the purchaser to 100% participation in the net profits of the Company.

This Company is engaged in a profitable business, and we recommend these shares to the investor who is looking for a good return with safety.

Investors Utility Company, Limited
C.P.R. Bldg., TORONTO
ADEL. 5268.

The Erie Railroad announces a series of low-rate excursions from Chicago and intermediate points to New York and return. The present round trip fare of $61.40 has been reduced to $43.

DEDUCTED

We rather like the story of the old bon vivant who was told to stick to one glass of port a day.

"Well, and how about the port?" asked his doctor.

"Fine, doctor; only about six months in advance so far," replied the old reprobate.—Town Topics.

RENEWED INTEREST IN VICTORIES AS RESULT OF LOAN

Success of Government Financing Has Effect on Market Prices

CONFIDENCE RESTORED

Balance of Market Has Been Very Quiet—Profit Taking Causes Setback in Many Issues

As a result of the outstanding success in the financing of the $100,000,000 loan in New York, there has been a renewed interest in Victory Bonds. The activity in these issues has completely overshadowed the balance of the market. The 1934 Victories which are generally regarded as a barometer of the bond market, advanced from 100.20 on Monday to a record high of 100.9 or a net gain of 70 points. The remaining members of our domestic loans advanced in similar manner.

It has been pointed out that these issues have been selling at bargain prices on the exchanges and 1934 Victory bonds would have to be at 104 to sell on a five per cent. basis. At 100.90 the 34s are yielding about 5.40 per cent. The effect of this loan will no doubt be to elevate prices above the 5½ per cent. level on which they have been resting for some time.

The balance of the market has been quiet and there has been a lack of that aggressiveness which characterized the general market for several weeks. Due no doubt to the heavy profit taking as a result of the continuous advance in practically every issue, there has been a general weakening in prices. But this reaction should give a more healthy tone to the market in the long run.

The greatest activity in the stock market has been in those industrials which have the greatest element of speculation in them, and not in securities having a more or less investment character. In the last day or two, however, some of the interest has turned to the more stable issues.

Commenting on the present situation of the markets, the "Trader" in Barron's gives his views:

> Any market, whether for securities, grains or commodities, which continues to advance, is overwhelmed by an army of speculators wishing to take advantage of changes in values. The point is not whether a stock is worth more, but whether it will sell higher. Thus, when we reach a two-million-share day with new high prices for many stocks, there is little wonder that the conservative observer becomes skeptical. For, says he, the market should slow up and rest a while until the business revival has time to catch up.

QUEBEC RAILWAY PLANS

Quebec Keenly Interested in E. A. Robert As President

MONTREAL.—A good deal of interest is being manifested in the plans of E. A. Robert, the new president of Quebec Railway, Light, Heat & Power Co. A banquet was tendered Mr. Robert this week in Quebec City at which the Mayor and the Lieutenant-Governor and the Premier of the province with a number of Ministers were present as well as representatives of the Board of Trade and other bodies. In his address Mr. Robert said that it was his admiration of Quebec and his faith in its future that had prompted him to accept the position as president of the Street Railway. He intimated that he intended to follow along the lines of development in Montreal, which may include a new agreement for the company based along the lines of those in Montreal. He was considering a number of extensions to the street railway lines.

DEMERARA ELECTRIC

The Demerara Electric Company, with head office in Halifax, but operating in Georgetown, Demerara, British Guiana, has reported net earnings for the year 1921, amounting to $19,184, as against $13,432 for 1920. Gross earnings at $271,349 compare with $237,150 and operating expenses at $223,629 with $195,183. The balance at credit of profit and loss stood at the end of the year at 167,536. The balance sheet shows current assets at $108,313 as against $117,380 and current liabilities of $33,021 against $32,887. President Ross reports an improvement in the cost of supplies and the improvement in exchange since the first of the year will materially help the company.

BELL TELEPHONE

In calling attention to Bell Telephone Co. shares as an investment McCuaig Bros. & Co. of this city, point out that "as a result of the world-wide plentifulness of money, steady absorption of high grade investments on a greatly increased scale has been going on during the last six months and in consequence the prices of such securities are being forced steadily upwards." This advance seems likely to go considerably further, they declare, before the movement culminates. They add: "There is no reason why a standard security like Bell Telephone should be immune from this trend, and we believe that it will not be long before the stock is selling to return around 6½ per cent. which would mean a market price of over 122."

The Simple Honest Oil Promoter

DO YOU KNOW Patillo Higgins, of Houston, Texas? No? We don't either. But Patillo has written to us a most confidential, personal, mimeographed letter offering to make us some real money "without your putting up a cent."

Patillo admits he is an oil wizard—he says so right under a photographic reproduction which is evidently offered as convincing evidence of the fact. He submits testimonial too, to show that he made $250,000 for one of his friends—perhaps one of those who did not put up a cent—by interesting him in the Beaumont-Spindletop oil field. He included a lot of printed literature which might almost be expected to cause the photo reproduction to blush, because: "I don't like to toot my own horn."

Now Pat has struck a new oil field. Evidently he has made money enough for his friends in Texas and other parts of the United States (if not for himself), and would like to know some new friends in Canada in order to make them rich also. Besides he admits: "I know nothing about promoting. If I had to talk money to the public I'd starve."

It is proposed to start the stock at a dollar a share. Warning is given that the issue is limited and is going fast. However, Pat evidently has a fear that the benefits of his wizardry will not be sufficiently widespread. He suggests that THE FINANCIAL POST advertise his project to Canadian investors. And we are to be paid in stock—that is where we are to make the real money "without putting up a cent."

Now we have put Pat's proposition before our readers. We have been offered stock for so doing but we do not expect to get it—nor do we expect to lose anything on that account.

WHAT HISTORY TELLS ABOUT DEPRESSIONS

Length of Time of Recovery Has Varied Considerably in Previous Periods

In previous periods of recovery the length of time taken by general business to get back to normal has varied considerably. It is possible to estimate the length of periods of prosperity and depression by combining the figures for pig iron production, employment, building construction, bank clearings, and other data into a single series reflecting general business. It is moreover quite possible to construct a diagra mshowing the fluctuations of such a series above normal in times of prosperity, and below normal in periods of depression.

From such a record of the course of general business it is possible to estimate that in the depression of 1884 it took about one year and a half for the recovery to run from the lowest point of stagnation back to the line representing normal conditions. In 1894 and 1895 the period of recovery was the same, but this time it was followed by another reaction in 1896 from which substantially complete recovery took another year and a half, and full recovery a year after that, or two and a half years in all.

In the depression of 1903 to 1904, and again in that of 1907 to 1908 the recovery from the lowest point of depression back to the normal line required a year and a half. In the short depression of 1914 and 1915 the recovery was more rapid. From the slow business at the end of 1914 conditions went forward rapidly to wartime prosperity, crossing the normal line in about eight months.

In the present depression the lowest point of business stagnation appears to have been reached in the summer of 1921. If the experience of earlier business recoveries is repeated this time it would be reasonable to expect the present recovery to continue irregularly during the present year, and to reach by the end of the year a condition that might be described as statistically normal, but which would be considered something less than that by most business men.

FAILURE OF WILSON FIRM

From Our Own Correspondent

MONTREAL.—The financial position of the Stock Exchange firm of A. A. Wilson & Co., which failed two weeks ago, turned out to be much worse than had been generally expected. Gordon W. Scott, the authorized trustee, stated that the liabilities of the firm amount to about $700,000 and that there are assets of only some $25,000 to offset the big liabilities. This will mean practically nothing for the creditors. The total assets consist almost entirely in the value of the seat on the Montreal Stock Exchange. It is stated that very few securities of any importance were carried on the books, and that the creditors chiefly consist of old clients of the firm.

WESTERN LUMBER

In February the sales of the Canadian Western Lumber, which includes those of the Columbia River Lumber Company amounted to 6,417,440 feet, for which $151,440 was realized. For the same month a year ago the sales amounted to 4,755,105 feet, while the price realized was $142,612. For the first two months of the year the lumber sold amounted to 12,390,032 feet, for which $287,898 was realized, while for the corresponding period in 1921 the sales were 8,239,578 feet and the price realized $261,563.

ALGOMA STEEL

"We are simply taking advantage of the lull in the steel market to make the necessary repairs and to get the plant in good shape," said Superintendent J. Jones, speaking of the partial shutdown of the Soo Steel plant. The open hearth furnaces and the rolling mills were closed on April 24, and there are only two blast furnaces in operation. Some of the office staff have been laid off temporarily. Mr. Jones said that he did not expect the curtailed operations would last for any length of time.

BONDHOLDERS VOTE FOR NEW FINANCING

Proposals Ratified at Meeting of Clarke Bros., Limited—$600,000 Issue

At a meeting of the first mortgage bondholders of Clarke Brothers, Ltd., held in Toronto, on April 25, by an unanimous vote, permission was given the company to raise money by the sale of $600,000 prior lien, 15 year 7 per cent. bonds, to rank before the present 7 per cent. bonds. The bonds are retirable at 105 on any interest date after five years, and whole on any interest date at 103, interest payable in New York funds.

The company has shared with other companies the difficulties which have been common to all during the past year and has been handicapped by lack of capital. Financial arrangements made last fall did not prove satisfactory in view of the stringency of the money market at that time. The bondholders believed that in making certain concessions the company would be able to carry on under more favorable conditions.

The holders of the outstanding first mortgage serial bonds will postpone maturities of their bonds for five years. The holders of refunding bonds will postpone commencement of the sinking fund required by the trust deed, securing that issue for five years. That the holders of both of these issues consent to the creation of a prior lien bond issue of $600,000 as above suggested. The proceeds of such new issue will be used to place the company in funds to take care of outstanding obligations, complete the water supply and to re-open and continuously operate the pulp mill at Bear River.

A. D. Clark, chairman of the bond committee in speaking to THE FINANCIAL POST said that it had been very gratifying to the committee to have between 87 and 90 per cent. of the total bondholders represented at this meeting, Mr. Clark stated that the $600,000 worth of bonds would be placed enbloc in the course of a few days.

RAILROAD EARNINGS

Earnings of the Canadian Pacific Railway for the third week of April amounting to $2,925,000 showed a decrease of $160,000 or 5.1 per cent. compared with the figures for the corresponding period in the previous year.

The Canadian National reports earnings for the third week of April amounting to $1,781,038 as compared with $2,199,772, a decrease of $418,734 or 19 per cent.

MINING STOCK QUOTATIONS

Week Ending April 25

	High	Low	Close	Sales
Adanac	1½	——	——	5,500
Apex	3½	3⅜	3½	19,000
Atlas	30	24	29	126,000
Bailey	2¼	2	2¼	15,000
Beaver	36	34	35	42,000
Chamber-Fer.	4½	4	4¼	3,000
Castle Trethewey	30	28	29	85,500
Cons. Smelter	24½	22⅞	23	5,475
Crown Res.	19	18	19	8,500
Dome Lake	13½	12	13	23,000
Dome Mines	28.50	26.45	27.45	2,215
Gifford	¾	——	——	1,000
Gold Reef	3¼	2⅞	3¼	33,000
Hattie	19¾	18	19¼	48,500
Hillcrest, com.	64¼	——	——	50
Hollinger	9.75	9.65	9.75	2,500
Hunton	10½	9¼	9¾	35,000
Inspiration	7¾	7	7	4,000
Keora	15	13	14	35,000
Kirkland Lake	47½	44	46½	7,500
La Rose	37	32	35½	9,000
Lake Shore	2.44	2.35	2.42	18,800
McKinley Darr.	31½	23	30½	45,000
McIntyre	19.65	17.90	18.25	4,485
Mining. Corp.	1.02	——	——	200
Moneta	15	14	14	31,500
Newray	25½	23	23	39,349
Nipissing	6.65	6.30	6.45	1,130
Ophir	2¾	2⅝	2¾	15,000
Peterson Lake	5	——	——	4,000
Porc. Crown	29	26½	28½	22,500
Porc. Tisdale	2⅛	——	——	6,000
Porc. V. N. T.	34½	31	33½	165,000
Preston E. Dome	9¼	8	9	126,500
Schumacher	58	52½	68	12,400
Silver Leaf	1	——	——	4,800
Teck Hughes	63	51	61	243,000
Timiskaming	35	34	35	3,000
Thompson Krist	6	5¼	6	32,000
Trethewey	5	4¼	4¼	7,100
West Dome	14	12	13¾	55,500
Wasapika	9	5½	8	151,000
West Tree	9¾	5½	8	102,000
Baldwin	6	5	6	8,500
South Keora	40	——	——	1,500
Wr. Hargreaves	2.97	2.85	2.97	5,010

FIXED CHARGES NOT SHOWN IN RAILWAY REPORT

(Continued from Page 1)

counting methods, we are in contact with the deadly process of compounding—the terrible rolling snowball with its accretive power. It is this fact which is the cause of general anxiety, and which is leading to such numerous demands for detailed information.

It is one of those cases where concealment of the full truth does no good. It is like a merchant who is asked for a statement of his liabilities and says, "I owe $8,000 to A, $6,000 to B and $19,000 to C, making $33,000 in all; but that does not include what I owe to D." When it turns out that the debt to D is greater than all the other debts combined, the insolvency of the merchant is to that extent intensified. This illustration is peculiarly apt when applied to the matter of our liability on railway account, for it transpires that the interest charges due to Government, rise considerably above those due to the public. This happens because of the enormous advances which have been made by Government since 1914, when public ownership tacitly began, in addition to the notes and bonds floated on the open market specifically on railway account.

Appalling Increase

The growth of these fixed charges is infinitely the most serious aspect of our railway problem. As between 1920 and 1921 they increased by $7,583,670 on the Canadian Northern and the Grand Trunk Pacific alone; and unhappily, they will be swollen by the extent of the advances in 1921 and thus far in 1922. The amount of such advances up to the middle of February last was $164,454,564, which includes $56,845,406 to the Grand Trunk. There is certain to be a good deal of inquiry about this latter account, since there is a suspicion that so large an amount in a single year could not have been required for the Grand Trunk. Be that as it may, when all the items of fixed charges are brought together, attaching to a capital amount of over two billions, the total will inevitably exceed $100,000,000 per annum. Until the national system can reach the point where net operating revenues are realized, and capital advances are unnecessary, the volume of fixed charges will continue to grow. That, as has just been said, is the gravest feature of the railway situation.

The outlook at this juncture is for an operating deficit as large as that of 1921, with an addition of not less than $10,000,000 on account of fixed charges. Nothing short of a tremendous increase in traffic, coupled with greater efficiency than has thus far been shown, can possibly arrest the heavy drafts which our national railways are now making on the public treasury.

UNLISTED SECURITIES

	Bid	Asked
Abitibi G. Mtge 6s (1940)	85	86¼
Algoma Steel 5s (1962).	46¼	46¾
Alta Pacific Grain com.	100	115
Do pref.	86	....
Ashdown Hard 5's (1928)	85	....
Can. Nor. Ry. 4's (1934),		
Dom. guarantee.	85¼	86
Do 4s (1930) Man guar.	87½	88¼
Can Oil com.	45	51
Can. Westinghouse	109¾	....
Can. Woollens com.	17¾	18¾
Cockshutt Plow pref.	40	43½
Colling. Ship. Bld. com.	40	45¼
Do. 6s	90	....
Cuban Can. Sugar pref.	15¾	16
Davies, Wm., 6s	99	....
D. Iron & Steel 5s (1939)	73	74
Dom. Power com.	24½	25½
Dunlop Tire 6s.	90	....
Eastern Car 6s	89	....
Famous Players pref.	50	55
Fraser Co. 8s (1941)	96	....
Gt. West Life.	200	....
Gunns Ltd pref.	66	....
Home Bank	....	100
How. Smith Pap. 7s (1941)	....	95
Imperial Oil	108	110
King Edward Hotel com.	58	63
L. Superior Paper 6s.	88½	....
Lambton Golf.	400	430
Manufacturing Life	39	....
Massey-Harris.	48	53½
Mattagami debs.	31	35
Murray-Kay pref.	55	59
National Life.	40	....
Neilson, Wm., 6s	90	....
N. S. Steel 6 p.c. deb.	72½	73
Price Bros. 5s (1940)	86	87
Ontario Pulp 6s	86½	90
Robert Simpson pref.	80	82
Spanish River 8s (1914)	97	100
Sterling Bank	99	101
Sterling Coal com.	17	21
Toronto Power 5s 1924.	94	95
Trust and Guarantee.	70	72
Amer. Salesbook 6s	98	....
Durant Motors	10¼	11
English Electric com	21½	23
Do pref	97	100
Mount Royal Hotel com	24	26
Do deb 30% bon com.	....	100
Western Assurance	4½	5½
Western Power 5s	76	....
Whalen Pulp com	10	11
Do pref.	23	25
Winnipeg Electric pref.	81½	82½
K. E. Hotel Cons com.	....	55
Do pref.	....	66
Peoples Loan	65	....

Snap for Financial Man

COUNTRY ESTATE

INCLUDING A TWO-ACRE TROUT STREAM

In the very heart of a most picturesque 50 acre estate only 35 minutes from Toronto Union Station. Overlooking the stream is a fine Colonial home of 10 large rooms, heated by hot water; has all modern refinements and several fireplaces; garage, stables, barn, poultry-houses, strawberries, raspberries, apples, cherries, pears, plums, asparagus. The remaining acreage is beautifully wooded, and any portion not required by the purchaser could be resold readily.

Price for entire estate — $45,000.

Write or telephone at once for appointment.

HAROLD A CLARKE
"Suburban Homes for Business and Professional Men."
Port Credit, Clarkson, Dixie and Cooksville Districts
Office—Hamilton Highway—Port Credit. Open Evenings

Why Are Flour Milling Stocks So Popular With Investors?

Because the Milling Industry in Canada is both basic and staple. Its earnings are consistent and well maintained even during periods of depression. The investment, therefore, is safe and profitable.

What Makes a Flour Mill Profitable?

A flour mill should be profitable
—if it is modern in construction.
—if it is located so as to enjoy low freight rates on incoming grain.
—if it is located to handle export business economically.
—if it has an unlimited supply of grain.
—if it is convenient to a large consuming population.
—if it has cheap power and good management.
—if it has a strong selling organization.

Why Are Careful Investors Buying Copeland Flour Mills, Ltd.---

8% Sinking Fund Cumulative Preference Shares at 100, with Bonus of 30% in Common Stock?

Because critics who are qualified to judge are frank to admit that the Copeland Flour Mills, Limited, has all of the above qualifications and is already strongly entrenched amongst the foremost Milling Companies in Canada.

The Mill is now running 24 hours per day and has orders in hand which, with new business being booked daily, should keep it busy throughout the season. Its future record will equal the best.

The Preferred Stock being the Senior Security of the Company, the investment is safe; and the Common Shares given as a bonus should become very valuable.

Write for Prospectus and full information.

BANKERS BOND COMPANY LIMITED
60 KING ST. WEST TORONTO

AMES HOLDEN CO. NEEDS $1,500,000 TO KEEP OPERATING

Plan of Re-organization Explained at Meeting of Shareholders

NO "SQUEEZING OUT"

Declared Chairman, D. Lorne McGibbon — New First Mortgage Bond Issue Likely

From Our Own Correspondent

MONTREAL.—At a meeting of the shareholders of Ames Holden McCready on Wednesday of this week, D. Lorne McGibbon, the former President of the company, who has been chairman since the late T. H. Rieder was appointed president, outlined the plans now under way providing for a reorganization of the company and the securing of sufficient working capital to enable it to continue operations. The amount required will be about $1,500,000, and it might be deduced from the statement of Mr. McGibbon that this money is likely to be provided by a first mortgage bond issue upon the assets, not only of the boot and shoe business, but the Ames Holden Tire Company and the Ames Holden Felt Company. That is, it would appear unlikely that there is sufficient equity left after the three groups of first mortgage bonds are satisfied to provide an attractive offering for a new issue of bonds. Thus it seems probable that the three groups of first mortgage bonds will be asked to surrender their first lien on the respective properties. Already committees of the bondholders have been formed and an endeavor will be made to have the individual holders of bonds surrender their bonds to the committee who may deal with them as they see fit.

Two questions of importance were raised at the meeting and answered. One was the position of the first mortgage bondholders whose equity in each case was sufficient to save them from loss in case of liquidation, but as Mr. McGibbon pointed out they might have to wait a long time for their money as it would not be easy under present conditions to find purchasers for the boot and shoe plant, the tire or the felt. In fact it seems reasonable to suppose that these groups will agree to some arrangement that will provide money for keeping the company as a going concern.

Another point was the position particularly of the preferred shareholders. Several at the meeting urged that they should be given representation in the central reorganization committee. To this Mr. McGibbon replied that what the company required now was additional capital and no action taken by the preferred shareholders, even if they surrender all their stock for nothing, could help provide capital. He considered that any suggestion than an appeal should be made to any class of shareholder to subscribe would be futile, not only in this company, but in the case of any other in a similar position. He denied a suggestion that there was any intention of "squeezing out" the preferred shareholders or even the common shareholders, and stated that if they desired to form a protective committee that this would be welcome. In the event of liquidation the second mortgage holders and the unsecured creditors and shareholders would be likely to receive nothing.

He declared also that all the interests with which he had been working, that is the bond holders and the creditors were displaying a very friendly attitude, and he appeared confident that a plan of reorganization would go through. This will be submitted to the shareholders at some future date. He himself had taken some $750,000 of the second mortgage issue of $1,360,000 last year, when Mr. Rieder was in difficulty with the boot and shoe company, and he was willing to contribute $500,000 if any reasonable plan was worked out.

DULUTH-SUPERIOR

Passenger earnings of the Duluth-Superior Traction Company for the week ending April 14, amounting to $32,872, showed a decrease of $1,971 of 5.7 per cent. as compared with the corresponding period in 1921.

Gross earnings for the month of March amounted to $153,110, a decrease of $7,500 or 4.6 per cent. Net for the month amounting to $26,982 compared with $28,001 for March in the previous year, a decrease of $1,109 of 3.9 per cent.

ALABAMA POWER

The Alabama Power Company reports gross earnings for the month of March amounting to $399,411 as compared with $378,822 for the same month in 1921, an increase of $20,589. Operating expenses and taxes amounting to $191,675, left net earnings at $207,736, a decrease of $2,486.

Gross for the twelve months ending with March amounted to $4,606,759, an increase over the previous year of $215,164, while net amounting to $2,385,384 showed an increase of $169,396.

$5,000,000 BELL TELEPHONE CO.

Additional $2,000,000 Issue Providing All Capital Required

From Our Own Correspondent

MONTREAL.—The new issue of the Bell Telephone Company is beginning to read like a continued story, or more properly like one coming in three instalments. The first offering was for $2,000,000 and this was raised to $3,000,000, and on Wednesday announcement was made by the company that an additional $2,000,000 of the stock had been subscribed by the syndicate composed of Greenshields & Co., Royal Securities Corporation and Aemilius Jarvis & Company. C. F. Sise, vice-president and general manager of the Company, states that this $5,000,000 will provide all the capital required by the company for the balance of the year. The demand for this stock has included not only all Provinces in Canada, and Newfoundland, but a considerable amount has been disposed of in the United States.

It has been learned that the McKinley-Darragh mine will be in full operation by May 15, after being closed since December, 1920. At first 75 men will be employed and some are being taken on now to get things in shape. The greatly decreased cost of mining coupled with a better outlook of the silver market, led to the decision to resume. The management has about 25,000 tons of broken ore to start off with.

Lay-off of 1,000 by Delaware and Hudson and 800 by Lackawanna attributed to mining suspension. Coal provides 50 per cent. of Delaware and Hudson traffic. Lackawanna officials say 2,000 will be laid off before Monday due to non-movement of thirty coal trains daily.

AMES HOLDEN TIRE HAS GOOD PROFITS

Net Sales of Over $1,500,000 and Surplus of $175,000 for the Year

From Our Political Correspondent

MONTREAL.—The report of the first full year's operation of Ames Holden Tire Company is in pleasing contrast to that of the leather footwear business. It was known right along that the tire business was proving a success and far more than paying its way, and the figures bear this out even better than was anticipated. As compared wih a portion of the year 1920 when the company was in business, the net sales for 1921 amounted to about seven times and there was a profit on operations of $295,000. After meeting interest and bonds and other charges there remained a net profit for the year of $189,000 fro mwhich was deducted a deficit for the previous year of $46,000, leaving a balance of $142,000. This was nearly ten times what was required to pay dividends on preferred stock, leaving a good surplus for the year.

The balance sheet of the Company also shows an encouraging position. Bank loans and bills payable are reduced by about $200,000. The expansion of business accounts for an increase of about $200,000 in the inventory.

The profit and loss account for the two years appears below:

Profit and Loss Account

	1921	1920
Net sales	$1,556,620	$ 224,313
Operation	1,260,777	223,083
Balance	$ 295,843	$ 1,229
Misc. income	470	4,375
Total income . . .	$ 296,313	$ 5,605
Less int. on bonds	76,169	40,588
Other interest . . .	27,397	10,309
Discount on bonds	2,387	1,250
Loss on sale of inv.	1,205	....
Net profit	$ 189,155	$ *46,542
Less deficit, 1920.	46,542	
	$142,612	
Divs. on pfd. stk.	15,956	
Surplus..	$ 126,656	

*Deficit.

AMES HOLDEN SHOWS HEAVY LOSS

Deficit at End of Year of $1,200,000—Net Loss on Operations

From Our Own Correspondent

MONTREAL.—The annual statement of Ames, Holden, McCready, as submitted to the shareholders on Wednesday, illustrates the heavy drain on the resources of the Company during the year. It will be remembered that at the close of 1920 the Company's surplus had been entirely wiped out and there was a debit balance of $470,000. Not only was there no improvement in this position during the year but heavy losses were sustained even in operation, and all the interest, depreciation, bad debts, bond discounts and shrinkage in inventories went to increase this deficit so that it rose to $1,547,000. This was slightly improved by an increase in the value of investments of $346,000, but the year closed with a deficit balance of $1,201,000.

One encouraging feature of the year was that the net sales of $6,134,000 were slightly higher than those of the previous year and much higher in volume when the reduced prices prevailing are considered. The inventories were reduced by about $800,000 and bank loans and accounts payable cut down by about $600,000.

The president, the late T. H. Rieder, as one of his last acts before his death, drew up the report of this Company. In this he called attention to the business recession in leather footwear which continued during the first half of 1921, although there was a slight improvement the latter part of the year. The Company also was faced with a number of bad debts through failures of merchants.

The balance sheet shows a reduction in current assets from $4,296,126 to $31,476,821, while current liabilities were reduced from $3,505,123 to $3,025,166. The net working capital fell from $791,003 to $451,655.

The profit and loss accounts and working capital items compare thus:

Profit and Loss Account

	1921	1920
Net sales	$6,134,092	$6,062,818
Operation	6,428,248	6,173,320
Loss	294,155	110,501
Interest..	378,760	316,152
Bad debts	95,318	65,656
Depreciation	22,876	......
Sale of assets . .	2,156	18,386
Bond disc.	23,943	1,943
Totals	817,211	512,641
Misc. income . . .	......	4,054
Net loss	817,211	508,586
Pfd. divs.	......	131,250
Debit bal.	817,211	639,836
Prev. bal.	*487,602	992,354
Balance	*1,304,813	352,518
Shrink. in inv. ..	242,561	822,768
Debit bal.	1,547,374	470,250
Invest. apprec.	346,037	......
P. & L. bal.	†1,201,338	†470,250

*Debit balance. †Deficit.

Working Capital Account

Current Assets—	1921	1920
Cash	$ 54,771	$ 25,566
Accts. rec.	444,963	399,888
Sales of prop.	179,160	190,828
Inventories	2,514,610	3,396,824
Investments . . .	396,189	43,530
	$3,476,821	$4,296,126
Current Liab.—	**1921**	**1920**
Bk. loans, bills and accts. pay.	$2,817,895	$3,401,038
Accr. charges	287,182	70,466
	$3,025,166	$3,505,123

WESTERN CANADA PAPER

Debenture-holders of the Western Canada Pulp & Paper Co., met this week to consider action to protect their interests. The company defaulted in the payment of interest on its bonds on February 1 last, and the bondholders have instituted foreclosure proceedings and are now offering the company's properties for sale. The debenture-holders, who have second claim upon the assets of the company, decided to allow the sale to proceed. They will share in the proceeds, If any, after the claims of the bondholders are satisfied.

SOUTHERN CANADA POWER CO.

The Southern Canada Power Company continues to increase its growth and net earnings month by month. For the six months ending March 31 the increase runs about 33 per cent. net, the total of $184,000 increasing to $250,000. The comparative figures are as follows:

March	1922	1921	Inc.
Gross	$ 67,733	$ 57,194	$ 10,539
Op. Exp.	31,023	31,789	*764
Net	$ 36,708	$ 25,405	$ 11,303
Six months ending March 31:—			
Gross	$434,495	$371,232	$ 63,263
Op. Exp.	183,759	187,117	*3,358
Net	$250,736	$184,114	$ 66,622

*Decrease.

STOCK MOVEMENTS OF THE WEEK

Week Endnig April 25

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks—							
Commerce	12	187	186	187½	186	187	429
Dominion	12	192½	192	192	192	192	20
Hamilton	12	....	168	168	167½	168	90
Hochelaga	10	147	....	147	147	147	2
Imperial	12+1	....	170	169	169	169	5
Molsons	12	164	....	161½	161	161	69
Montreal	12	221	220	222½	220	221	455
Nationale	6	....	100	100	100	100	13
Nova Scotia	16	....	256	258	258	258	23
Royal	12	....	196½	196½	195	196½	305
Standard	14	....	200	201	200	200	10
Toronto	12	182	180	181	180	180	23
Union	10	....	137	137¼	136	137¼	58
Industrials, Utilities, Etc.—							
Abitibi Paper com.	..	52¼	51¾	53¾	50	52	6521
Do pref.	..	....	90	90	89¾	90	10
Ames Holden pref.	..	10	9	13	10	10	440
Amer. Salesbook com.	..	15	14	16	15	15	42
Do pref.	7	89	86	90	90	90	15
Asbestos Corp. com.	6	61	60¾	62	60	61	271
Do pref.	7	80	79¾	80½	80	80	150
Atlantic Sugar com.	..	23	22	26½	22	22½	4948
Barcelona Traction	..	6¾	6½	7	6½	6⅝	2233
Bell Telephone	8	107½	107	107¼	106	107	13331
Brazilian Traction	..	45¼	45	46½	44¾	45	16768
B. C. Fishing	..	27½	26½	29	27	28	300
British Empire Steel com.	..	11½	11	12½	11	11	363
Do first preferred	7	77	72	75	73	75	61
Do second preferred	..	27	26½	28	26½	27	1773
Brompton Pulp	..	28½	28⅛	29¾	27¾	28	4282
Burt, F. N. com.	10	115	114	115	112	115	141
Do pref.	7	112½	....	112½	112½	112½	1
Canada Bread com.	..	30¼	30	30½	30	30½	310
Do pref.	7	....	93½	93	93	93	6
Can. Car & Foundry com.	..	....	26	28½	26	27	305
Do pref.	..	56½	56	56	53½	56	918
Canada Cement com.	6	63½	62½	64¼	61½	62¾	1214
Do pref.	7	....	90	91½	91	91	120
Canada Steamships com.	..	21	20½	21½	18¼	20¾	2906
Do pref.	..	51½	51	52¾	48¼	51	9335
Canada Converters	7	84¾	84⅝	85	84	84¾	700
Canada Cottons com.	8	91	88	90½	85	90	1552
Do pref.	6	....	80	80	76	80	109
Can. Gen. Electric com.	8	92	91¼	92¼	90½	92	583
Do pref.	7	....	100½	100¼	100	100	137
Carriage Factories com.	..	....	6	8	8	8	40
Can. Locomotive pref.	7	84	....	84	83	83	27
Canadian Pacific Railway	10	146	145	147	145¾	146	309
Canadian Salt	8	75	....	73¾	73¾	73¾	20
City Dairy com.	10	116	115	116	112	116	186
Do pref.	7	....	95	95	95	95	54
Consumers Gas	10	....	151	152	151½	152	76
Detroit United Ry.	..	67	....	69	67⅞	67⅞	855
Dominion Bridge	4	....	70	71	70	70¼	200
Dominion Canners com.	..	34½	33	35½	32	34	465
Do pref.	7	79	77	79	78½	78½	20
Dominion Glass com.	6	66	65½	66	65	65	204
Do pref.	7	95	93	95	95	95	175
Dominion Textile com.	12	154	....	155	149	154	806
Do pref.	7	....	108	110	108½	110	66
Can. Forgings com.	..	25	....	30	30	30	40
Dominion Iron pref.	7	....	75	75½	75½	75½	5
Dominion Steel com.	..	29	28	29	28½	28½	345
Do pref.	6	....	70	74½	72½	74½	169
Duluth Superior	..	20	19	19	19	19	150
Dominion Telegraph	6	....	40	40	40	40	50
Ford Motor	15	370	360	355	355	355	25
Howard Smith Paper com.	6	65¾	65	66½	65	65	445
Do pref.	8	....	88	88	88	88	81
Kaministiquia	8	....	82	82	82	82	50
Lake of Woods com.	12	....	161	162	160	160	531
Laurentide Paper	6	86	85⅞	89	86½	87	1509
Lyall Construction	..	36	....	36⅛	35	36⅛	60
Macdonald A.	..	16	15¾	16	15½	16	182
Mackay com.	6	93	92½	93	90	92¾	4586
Do pref.	4	66	65	66¼	65	66	840
Maple Leaf Milling com	12	140	139	141¾	139¾	140	435
Do pref.	7	....	99	100¼	99¾	100	778
Montreal Cottons com.	6	85½	....	85	85	85	110
Do pref.	7	106	105	105½	105½	105½	215
Montreal L. H. and Power Cons.	5	92	91¾	92½	88¾	91⅞	6845
Monarch Knitting pref.	7	....	79	80	80	80	44
Montreal Tramways	10	145	....	143	142½	143	15
National Breweries com.	4	57¼	57	58	57	57½	4012
Pacific Burt com.	2	50	46	46	46	46	10
Do pref.	7	90	87	90	90	90	10
Ogilvie Flour com	12	....	229	230	228	230	146
Do pref.	7	....	109	110	108	108	4
Ont. Steel Products com.	4	42	39½	46	40	40	360
Ottawa L. H. and Power	6	85	....	86	81½	86	1082
Penmans com.	8	105	100	106	103	103	190
Do pref.	6	....	90	90	90	90	23
Porto Rico Railways com.	4	29	27	30	27	30	58
Do pref.	7	....	76	74	74	74	7
Price Bros.	2	43½	43⅛	46	43	43	2972
Provincial Paper pref.	7	87	86	87	87	87	25
Quebec Railway	..	26	25	26¾	25	25	3540
Riordon Pulp com.	..	9½	9	9¼	7⅞	9½	914
Do., pref.	..	15½	14	15	12	15	340
Shawinigan	7	106¼	....	107	104½	106	817
Sherwin Williams pref.	7	93	....	93½	93¼	93¼	61
Spanish River Pulp, com.	7	81	80	82¾	80	81	1185
Do pref.	7	91½	91	92	90	91	3214
Steel of Canada com.	7	69	68	70½	67¾	68½	2204
Do pref.	7	95½	94½	96½	95	96	182
St. Lawrence Flour com.	6	82½	....	83	82	82½	65
St. Maurice Paper	5	88	85	85	80	85	145
Toronto Railway	..	64	63	65	62½	63½	898
Tuckett Tobacco com.	4	40	36	39¾	38	39	175
Twin City com.	..	51	....	52	50½	51	903
Shredded Wheat com.	8	....	133	135	135	135	10
Do pref.	6	....	96	96	96	96	5
Wabasso Cotton	4	65	63	65	63	65	335
Wayagamack	..	54	....	55	54	54	465
Western Canada Flour	8	122	118	118	118	118	3
Winnipeg Electric	..	....	42½	44¼	42	42½	2191
Woods Mfg pref.	7	....	72	72	72	72	50
Canada Landed	10	....	76	77½	77½	77½	11
Canada Permanent	12	....	178	179	179	179	34
Landed Banking	8	....	137	137	137	137	19

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO
Canada

An 8% Investment In a Company with a Future
We offer
THE CANADIAN SHADE CO., LTD.
Eight Per Cent. Cumulative Preference Shares
AUTHORIZED CAPITAL
8% Cumulative Preference Stock (par value $100) $100,000
Common Stock (par value $10)........ 100,000
Price: Par with a bonus of one share of common stock or one share preferred and four shares common for $120.
Dividend has been paid to 31st March, 1920, to all stockholders at that date.
REGENT SECURITIES CORPORATION, LIMITED
307 Royal Bank Building, TORONTO
Adel. 52 & 7785

What Are Municipal Bankers Bonds?

Municipal Bankers Bonds are bonds issued against the highest type of security—mortgages on improved property in the Province of Ontario, and Government and Municipal Bonds—deposited with the Montreal Trust Company as Trustee for the Bondholders.

The mortgages and Government and Municipal Bonds so deposited constitute a Trust Fund and Municipal Bankers Bonds are backed dollar for dollar by an equal amount of Government and Municipal Bonds and mortgages in the Trust Fund.

Every mortgage deposited with the Trustee as security for Municipal Bankers Bonds must be accompanied by a certificate of appraisal by an independent valuator and the approval of an Investment Committee chosen from the following Board of Directors of the Municipal Bankers Corporation Limited:

BOARD OF DIRECTORS:

SIR WILLIAM HEARST, K. C.
Prime Minister, Ontario, 1914-1919.

HON. GEORGE GORDON
Director, Bank of Nova Scotia.

COL. W. N. PONTON, K. C.
Solicitor, Bank of Montreal, Belleville.

W. H. GREGORY
Mayor, City of Stratford.

JOHN MCCLELLAND
President, Wellington Telephone Co. Ex-Commissioner, County of Wellington.

DANIEL QUINLAN
Treasurer, County of Simcoe.

SIR JOHN WILLISON, K. B., LL. D.
President, Municipal Bankers Corporation, Limited.

HON. FRANK CARREL
Director, Prudential Trust Corporation.

D. H. MCCAUGHERTY
Chairman, Hydro-Electric Commission, Toronto Tp. Ex-Warden, Peel County.

PERCY HURD, M. P.
Managing Director, Canada Gazette, London, Eng.

DR. R. J. SPROTT, D. D. S., L. D. S.
Vice-President, Ontario Dental Society. Ex-Mayor, Barrie, Ontario.

HON. A. TURGEON
President, Legislative Council, Province of Quebec.

J. T. ROSS
Director, Royal Bank of Canada.

W. TYRIE STEVENS
President, Canadian Bond Corporation of New York.

D. W. WALLS
Manufacturer. Ex-Warden, County of Ontario.

HAROLD W. SHAPLEY
Member, Legal Firm of Osler, Hoskin and Harcourt.

At the present time an offering of Municipal Bankers Bonds is being made to yield the investor 6¼% per annum for twenty years.

GORDON & WALLS
33-35 VICTORIA STREET, TORONTO

Your Business Abroad

With a fully equipped British and Foreign Department, transacting every type of foreign banking business, and with close foreign affiliations, this Bank can render you valuable service in conducting financial affairs abroad. You are invited to write to this department for any information or advice desired about foreign markets and conditions.

257

IMPERIAL BANK
OF CANADA
216 BRANCHES IN CANADA

Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches.
IRELAND — Northern Banking Co., Limited, Belfast and Branches. Agents in FRANCE: Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

The Wabasso Cotton
Company, Limited

THREE RIVERS, P.Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

THE FOUNDATION COMPANY
LIMITED
ENGINEERS CONTRACTORS

Hydraulic and Steam Power Developments
Industrial Buildings
Heavy Foundations
Dams and Bridge Piers
Underwater Construction

222 ST. JAMES STREET
MONTREAL

Dominion Textile Company
LIMITED

Manufacturers of

COTTON FABRIC

MONTREAL TORONTO WINNIPEG

Western Canada Flour Mills Company
Limited
A. KELLY, *President* — J. E. MACFARLANE, *Gen. Mgr.*

Head Office: Toronto

Mills at
Goderich Winnipeg Calgary
Brandon Edmonton Victoria

Daily Capacity—Flour, 10,000 barrels, Rolled Oats, 1,000 barrels

MANUFACTURERS OF
PURITY FLOUR PURITY OATS

P. Lyall & Sons
Construction
Company, Limited

Toronto - Montreal - Ottawa

SAVING and INVESTING

We invite you to avail yourself of the complete facilities of our Savings Department. Interest compounded half-yearly and full checking privileges allowed.
One dollar or more will open an account. As your savings increase you may invest in our ordinary or accumulative debentures and secure the attractive rates of interest these high-grade securities yield. For example, $76.24 will buy an Accumulative Debenture for $100 payable at the end of five years, increasing your capital in that period by more than thirty per cent.

Canada Permanent Mortgage Corporation
14-18 Toronto Street TORONTO
We have been giving satisfactory service to savers since 1855

THE PUBLIC BE DAMNED

St. John Standard

Public business is usually everybody's business,—or nobody's business very often—and is more or less synonymous with general inefficiency. The "public be damned" is generally the keynote of the administration of publicly owned utilities, particularly in a country like this where politics and political pull count for a great deal more than merit or efficiency. The people moreover have no remedy whatever for any wrong they may suffer by reason of the inefficiency or mal-administration of a publicly-owned utility, for governments and municipalities have neither souls to be saved nor bodies to be kicked, neither have they the least vestige of conscience.

PROSPECTS FOR SMELTERS ARE BRIGHTER NOW

Optimistic Feeling Pervades the Company's Annual Meeting

A NEW BOND ISSUE

Six Million Dollars to Retire Outstanding Issue and Provide New Capital—Outlook is Discussed

From Our Own Correspondent

MONTREAL.— An optimistic feeling was in evidence at the annual meeting of the Consolidated Mining and Smelting Company, not only at the result of the year's operations which have been reported before, but at the prospects before the Company for the current year. An announcement was made by the president, James J. Warren, that a new issue of 20 year 7 per cent. bonds would be made possibly to the extent of $6,000,000 in order to provide for additional working capital and allow for plans of expansion. These bonds would wipe out the present issue of $3,000,000 of 7 per cent. bonds and in addition provide some $3,000,000 extra capital. The president stated that the bonds probably would be marketed at par as he felt there would be no difficulty absorbing them. He announced in reference to this that shareholders will be given an opportunity to subscribe but no reference was made as to terms.

Another important announcement was made that took the fancy of the shareholders, namely a reference to the likelihood of the dividend payments being resumed. The president said in regard to this: "If this funding operation be carried through and the present satisfactory operating and market conditions continue, your directors will favor a dividend payment in respect of the last half of the current calendar year."

The address of the president conveyed also the information that during the first quarter of the current year production had been maintained, costs reduced and efficiency increased. Sales had been sufficient to absorb the entire output. He went on to state that consideration was being given to the desirability of constructing either an extension of present concentrating mill at the smelter to treat milling ores from the Rossland Mines, or a mill at the mine to treat the Sullivan ores. In the latter event the present mill at the smelter would treat the Rossland milling ore.

In the election of directors S. G. Blaylock, the general manager, was added to the board, in addition to the following: James J. Warren, president, Charles R. Hosmer, Montreal, vice-president; Sir Edmund B. Osler, H. S. Osler, W. L. Matthews, all of Toronto; J. C. Hodgson, Henry Joseph and J. K. L. Ross of Montreal.

$1,000,000 MORE OF BELL

Issue of Telephone Stock Increased To $3,000,000

From Our Own Correspondent

MONTREAL.—The offering by a syndicate of $2,000,000 of Bell Telephone capital stock has met with such a satisfactory response that the syndicate has secured an additional block of $1,000,000 of the stock and is offering the balance after providing for over subscriptions that had been received for the first $2,000,000 issue. The stock was selling on the Montreal Exchange at 105¾ at the time the offering was begun but since that time has firmed over a point, a rather unusual condition during the offering of new stock in a company whose securities are already listed. Generally speaking the effect of a new issue is to depress the market price of the old stock but the reverse happened in this case, and is taken to indicate very favorable feelings towards this security. The new money will go to making needed extensions.

ONTARIO STEEL PRODUCTS

The dividend on the common stock of the Ontario Steel Products Co. was passed at a meeting of the directors, after a rate of 4 per cent. had been covered for the first quarter of the year, and 8 per cent. for the year 1921. In the year 1920 the common stock was placed on a 4 per cent. dividend basis and doubled up the following year. The passing of the dividend came rather as a surprise as the company had been reported as doing fairly well. The report covering the year 1921 showed profits after depreciation, taxes, etc. of $193,446 as compared with $287,000 in 1920 and $198,000 in 1919. For 1921 the net amount available for common dividends was 14.6 per cent., and in 1920, 27 per cent. and in 1919, 14.7 per cent., in all cases running well above the required amount. There was a surplus on June 30, 1921, of $564,087 and working capital of $613,000 which showed an increase of about $35,000 over that of the previous year.

ATLANTIC SUGAR

The annual report of Atlantic Sugar Refineries will be issued shortly before the meeting of shareholders called for April 28 at 11 a.m. This report which will show heavy losses for the 20 months ending Dec. 31, 1921, will be in sharp contrast to the present prospects of the company, for it has been exporting large quantities of sugar for some months past and running nearly to capacity.

Norwegian vs. Canadian Calcium Carbide in U. K.

Norwegian manufacturers of calcium carbide will be unable to compete in the English market, if the 33 1/3 per cent. preferential tariff in favour of Canada is passed. For Canada can obtain electric power as cheaply as Norway, and against the Canadian product, if preferentially treated, the Norwegian industry would be closed down. A blow to this industry would also affect certain British exporting firms, as they import all their coal from England and all the terne plate used in packing their product. On the other hand Canada does not have to import coal for the production of carbide and also produces the necessary packing material herself or could import it from across the line. So that the British exporters would find no compensation in that direction for the loss of their trade with Norway.

WABASSO COTTON CO. TO MAKE EXTENSION

Will Enlarge Mill at Three Rivers—New Bond Issue of $750,000

From Our Own Correspondent

MONTREAL.—The shareholders of the Wabasso Cotton Company at a special meeting held at Three Rivers approved of a by-law providing for the issue of bonds to the extent of $750,000. The proceeds of the issue will go to pay the construction of a large addition to the company's cotton mill at Three Rivers. This has been planned for several years past but uncertain conditions in business delayed it for the past year or so. The demand for the company's products, which consist of high grade cotton fabrics, as well as cotton yarn which is manufactured at Shawinigan Falls, has improved very materially, and the mills are well provided with business and have been for months past. The new bonds will be 20-year 7 per cent. sinking fund mortgage and collateral trust gold bonds, dated May 1, 1922, and maturing May 1, 1942. There is outstanding at the present time a 6 per cent. first mortgage bond issue of a little less than $900,000. The time for offering the bonds to the public will depend a good deal on the action the Dominion Government takes in connection with the forthcoming loan.

ONTARIO'S GOLD OUTPUT INCREASES

$23,140,734 Has Been Returned in Dividends by Gold Mining Companies

A comprehensive survey of Ontario's gold deposits, including a historical summary of gold mining in Ontario has been prepared by Percy E. Hopkins for the Ontario Department of Mines. Gold mining, as this report points out, is receiving greatly increased attention. Abundance of labor, reduction of mining costs and the premium on gold are the chief factors of the increased interest. In 1920 the exchange premium received by Ontario's gold mining companies was $1,376,275 or 11.7 per cent. The success or failure of the gold mining industry, however, does not depend on the premium, the rate of which is, at this time, declining rapidly.

The total gold production in Ontario up to the end of 1920, was $73,173,463, all of which came from pre-Cambrian deposits. From 1866, when gold was discovered in Ontario until the end of 1911, there was comparatively little gold produced, the greatest being $424,568 in 1899. The Sultana, Mikado and Regina were the principal producers during these years.

Up to 1911 gold mining in Ontario was on the whole not profitable. Since then the industry has flourished, owing particularly to Porcupine, and, to a less extent, Kirkland Lake. The 1913 production, $4,558,518, almost equalled the entire output up to that year from the time gold was first found in the province in 1866. In 1920 the gold production exceeded the silver output for the first time since Cobalt was discovered in 1903. The gold production of Ontario for 1921 will probably amount to about $14,000,000. Ontario is the only important country whose gold production has not decreased in the last four years. The worlds' maximum production of $468,700,000 in 1915 has steadily declined to $339,400,000 in 1920. Since dividend payments commenced in 1913, a total up to the end of 1921 of $23,140,734 has been returned to shareholders by the gold mining companies of Ontario. Ore reserves at the end of 1921 at Porcupine and Kirkland Lake amounted to approximately $60,000,000.

Porcupine is by far the largest producer, the principal mine, the Hollinger Consolidated being one of the greatest gold mines in the world. Kirkland Lake is next in importance. Ontario now leads the other provinces of Canada and every state in the United States, excepting California in production.

"In Unsettled Times

the thoughts of men turn instinctively to the sound security of Life Insurance."

The first step to securing suitable and adequate Life Insurance is to obtain dependable information. Permit the Great-West Life to give you that information—by mail, if you wish, for leisurely consideration.

You will readily see the merits of the Great-West Policies. Inexpensive, profitable, liberal—these policies have appealed to over one hundred and thirty thousand persons as the best anywhere available.

THE GREAT-WEST LIFE ASSURANCE COMPANY
Dept. "G"
Head Office - Winnipeg

REAL ESTATE
Hamilton and Niagara District
City, Farm and Suburban Properties
Valuations Made Correspondence Solicited
FRED HAMILTON, 4 Sun Life Bldg., *HAMILTON, ONT.*

FOR OFFICES. FACTORIES. INSTITUTIONS
STROMBERG-CARLSON
INTER-COMM-PHONES
NEED NO OPERATOR OR SWITCHBOARD
STROMBERG-CARLSON TELEPHONE MFG. CO.,
35 McCaul St.
Send for Bulletin No. 1017

BRITISH WORKER PAUPERIZED BY DOLES SYSTEM

Paternalism Being Carried To Its Extreme Limits

NO WORK—FULL PAY

Public Opinion Being at Last Aroused to Dangers as Indicated by the Labor Vote in Recent Election

By **HERBERT N. CASSON**
Written for Barron's Weekly From London.

At last, after fifty years of drifting steadily towards the rocks of Socialism, England sees her danger and is now changing her course. This fact was made very evident in the recent London election. The Labor Party ran 96 candidates. They had a platform of municipal bakeries, dairies, laundries and butcher-shops—just the sort of program that formerly won the support of the masses.

What was the result? Only 16 out of the 96 were elected. The leader of the Labor Party—a man named Gosling, was defeated. This is the most sensational and decisive defeat that the Labor Party has had in twenty years. The unbearable pressure of the taxes is, for the first time, calling the attention of the English people to the manner in which the public money is being spent. To their surprise, they have just learned that more than $1,000,000,000 was spent last year in subsidies to the working classes.

Demand More and More

The more the dole-takers got, the more they wanted. All this munificence on the part of the State has only intensified and emboldened the discontent. The unemployed are now parading the streets with banners that demand "complete maintenance" and "full pay." The Ministry of Health was practically a distributing agency last year, to give away $135,000,000 of the taxpayers' money. It built 70,000 houses and now finds that it must continue to pay $300 rent per house for the next sixty years. The Ministry of Labor gave away $110,000,000, and on top of this, it spent $60,000,000 more in unemployment doles. The Board of Education spent $250,000,000. More than $130,000,000 was spent on Old Age pensions, and $550,000,000 on War Pensions. There are now 4,000,000 pensioners living on public money.

Fully 50,000 Government officials are kept busy giving away money that formerly belonged to the taxpayers of Great Britain. This practice of supplementing wages by Government doles, began half a century ago. At first, it was welcomed by manufacturers, as it enabled them to pay low wages and to put a part of their labor cost on the backs of the taxpayers. Such doles in 1891 amounted to $100,000,000. In 1911, they had grown to $275,000,000. Then came the war, which was the Golden Age of the dole-takers, and the amount rose to a full billion of dollars.

Slowly Pauperized

Step by step, the British people were pauperized to an extent that no one but an American can appreciate. There were free baths, lunches, medical service, pensions, insurance, unemployment doles and so forth. Street-car lines were run at a loss. Houses were built and rented at a loss. And all the losses were paid by the taxpayer. The most popular political program, ever since the days of Gladstone, has been something for nothing, or "ninepence for fourpence."

A premium has been put on idleness, and a penalty has been put on industry. The spirit of self-help has been almost completely destroyed; and the average British workman, at present, has very little initiative or self-reliance.

Then, in addition to all this, is the vast amount raised by local rates and spent to give the masses something for nothing. In 1883, Herbert Spencer was shocked to learn that the burden of rates had risen to $150,000,000 a year. But that was little compared with what it is today. Last year it was seven times as much—$750,000,000; and fully half of it was spent in the subsidization of the masses. Talk about Peru! The Incas knew little or nothing about the scope of paternalism, as it has been developed in Great Britain. Talk about the roomful of gold that the Inca paid as his ransom to Pizarro. That was only 2½% of the amount that was paid to the British working classes last year, out of the public treasury. Lloyd George gave away 40 rooms filled with gold. The Peruvians, after all, were only pikers in the art of giving away the nation's wealth.

The fact is that the war put the British taxpayer into a twilight sleep; and he is now beginning to wake up and know what has happened to him. He is now objecting to the policy of robbing Peter to pay Paul, and he is demanding that Paul shall bear his fair share of the expenses of a world war. Also, for the first time, the British citizen is discovering the real nature of Socialism. He understands now that at its best, Socialism is Bureaucracy, and at its worst, it is Bolshevism, and he is not in favor of either. At heart, the average Britisher believes, and has always believed, that neither rich nor poor shall have special privileges and that every man shall stand on his own feet.

A 47-CENT DEBIT

In the course of a speech in Boston in behalf of his proposed international bank, Senator Hitchcock estimated that, if one took all the exports and all the imports of the countries in the world during each year and added them, the difference could be adjusted by a $10,000,000 check, although in the aggregate the transactions would run to thousands of millions of dollars.

He related an instance of a large New York bank making a settlement with the clearing house at the end of a day's business by drawing its check for 47 cents, yet the clearing house had against it checks aggregating millions of dollars and it had against the clearing house checks drawn on various banks aggregating nearly the same amount.

RUBBER COMPANY HAS HEAVY LOSS; FINANCES STRONG

Operating Profits Declined From $2,256,000 to $90,000

CUT INVENTORIES

All Liabilities Greatly Reduced—Hopeful Outlook if General Business Improves

From Our Own Correspondent

MONTREAL.—The Canadian Consolidated Rubber Company did not escape its share of heavy losses in merchandise prices during the past year and this is reflected in a very sharp drop in profits. The gross income for 1921 amounted to $90,336, where in 1920 it had been $2,256,252. The net result showed a deficit of $1,935,495, compared with the surplus of $1,077,167 in 1920. The cause of this may be summed up in the statement from the president, C. B. Segar: "Drastic trade reductions in selling prices made after January 1, 1921, decreased the amount which otherwise would have been received for the goods sold during the year by approximately $2,300,000, thereby reducing net profits to the same extent."

In considering the comparison of net sales for 1921 of $14,593,606 as against a total of $26,675,513 in 1920 and $22,000,000 in 1919 regard must be had to two points: one is that the price of the various units fell very considerably, so that even with the same quantity of sales the value of them would be much below those of 1920. At the same time there was a big drop in the quantity of goods sold.

Profit and Loss Account

	1921	1920	1919
Net sales	$14,593,606	$26,675,513	$22,162,978
Exp. .	14,503,269	24,419,261	19,765,400
Gross Inc. .	90,336	2,256,252	2,397,578
Bd. int.	556,000	501,000	501,000
Oth. int.	294,850	468,085	145,071
Net loss	760,514	*1,287,167	*1,751,507
Pref. divids.	210,000	210,000	-209,995
invent. prov. .	964,981	......	......
Deficit	1,935,495	x1,077,167	x1,541,512
Prev. surplus .	8,319,475	7,242,308	5,700,796
P. & L. bal. . .	6,383,980	8,319,475	7,242,308

*Net profit.
xSurplus.

Inventories Cut $6,000,000

As has been pointed out before, the annual report of industrial companies covering the past year should not be considered so much from the standpoint of earnings as from the financial position in which the company is able to face the current year with material, raw and manufactured, brought down to what it is hoped is the low price level. In this respect the report of Consolidated Rubber Company will prove very satisfactory to the shareholders. Inventories were reduced from $14,092,823 as of December 31, 1920, to $8,008,375 on December 31, 1921, a reduction of over $6,000,000, or 43 per cent. In this valuation raw materials and supplies are valued at or below market price. Inventories of the finished goods are carried at the average cost of production or below which it is declared "will produce satisfactory profits on the basis of prevailing selling prices."

The president states "that overhead expenses have been reduced to the minimum, consistent with efficient operation, and with inventories of finshed goods substantially reduced and adjusted on a basis of ground values, and inventories of raw material and supplies on the basis of current requirements, at market prices or lower, your company is in a strong financial and trade position to meet the future." He adds: "The result for the future depends entirely upon general business conditions."

This position of the company may be understood more clearly when the contrast is shown between current assets and current liabilities.

Working Capital Account

Cur. liabilities	As at Dec. 31, '20	As at Dec. 31, '21	Decrease
Accounts Payable, Wages Accrued etc. and Provision for Gov. Taxes.	$ 1,814,063	$ 539,759	$1,274,304
Acceptances Payable ..	1,050,878	148,810	902,068
Loans Payable	3,917,566	2,419,470	1,498,096
Accrued Interest on bonds	38,997	38,982	15
Total Current Liabilities .	$ 6,821,504	3,147,021	3,674,483
Contingent Liabilities of customers' paper Discount ..	1,039,731	598,633	441,098
Contractual Liabilities	3,021,150	774,432	2,246,718
	$10,882,385	$4,520,086	$6,362,299

The amount of the deficit for the year naturally affected the net working capital of the Company which it reduced from $9,590,708 to $7,058,081, a reduction of about $2,500,000.

W. A. Eden as President

At the annual meeting several changes were made in the organization, the most important being that of the promotion of W. A. Eden, vice-president of the Company, to become president, replacing Mr. Seger, the former president, who becomes Chairman of the Board, a new position. C. W. Charles, and J. A. Connor were chosen as vice-presidents of the company. A new member of the Board was chosen in H. Stuart Hotchkiss, vice-president of the United States Rubber Co., the parent company of the Canadian Consolidated, who succeeds the late Col. S. B. Colt on the Board. The rest of the Board remains as it was. It is interesting to note that Mr. Eden, who reaches the highest position in this Company, was secretary in the year 1919 and at that time succeeded the late T. H. Rieder as president of Consolidated Felt Company and as vice-president of the Rubber Company.

CONSOLIDATED FELT EARNINGS DECREASED

Slump in Inventory Values Forced Company to Draw on Surplus Slightly

From Our Own Correspondent

MONTREAL.—The operations of the Canadian Consolidated Felt Co. followed closely the lines of the Rubber Company for the past year: heavy losses through depreciation in the prices of raw materials and manufactured merchandise, with a decline in the volume of sales. The statement as presented to the share holders at the annual meeting this week shows sales for the year of $852,789 where one year ago they were $1,749,583—the record—and costs of goods and other expenses of $787,542, leaving net profits for the year of $65,247 as compared with $89,177 the preceding year, a very creditable record for 1921, considering the decline in sales. After interest payments there remained some $15,000 as surplus for the year, but a sum of $53,422 was deducted for adjustments in inventory values that left an actual deficit for the year of a little over $38,000.

The profit and loss accounts for the two years compare thus:

Profit and Loss Account

	1921	1922
Sales	$852,789	$1,749,583
Costs	787,542	1,660,405
Operating profit .	$ 65,247	$ 89,177
Deduct interest .	50,069	68,456
Balance	15,178	20,721
Add surp. Dec. 31	342,637	321,916
	$357,815	$ 342,637
Adjustments . . .	53,422	....
P. & L. account . .	$304,393	$ 342,637

The balance sheet shows a favorable development in a marked reduction in current liabilities and contingent items. The net working captal declined from $135,011 to $81,762. The items compare thus:

Current Assets

	1920	1921
Inventories	$14,087,582	$ 8,008,357
Cash	263,861	569,647
Accounts received	2,075,763	1,627,079
	$16,427,206	$10,205,102
Net Work. Cap. ..	$ 9,590,708	$ 7,058,081

Working Capital Account

Cur. liabilities	As at Dec. 31, '20	As at Dec. 31, '21	Decrease
Accounts Payable, accrued wages etc.	$111,093	$ 28,518	$ 82,575
Acceptances payable	4,087	858	3,229
Notes payable	400,000	237,000	163,000
Accrued Interest on bonds	5,182	4,935	247
Total Cur. lia. ..	$520,362	$271,311	$249,051
Contingent Liability of Customers' Pauer under dis...	313,309	26,455	286,854
Contractual lia. ..	80,080	11,236	68,844
Total	$913,751	$309,002	$604,749

Current assets	1920	1921
Cash	$ 6,003	$ 2,201
Account received	83,961	87,516
Inventories	565,607	263,355
Total	$655,373	$353,073
Bal. Work. Cap.	$135,011	$ 81,762

DOME MINES SHOW PROFIT OF $633,309

Assets at $8,036,348 as Against $7,229,977 for the Previous Year

The annual statement of the Dome Mines Company, Limited, shows a profit of $633,309 for the year ending March 31, 1922. This compares with a net profit of $302,479 for 1921 or an increase of $330,830 for the year's work. Operating earnings, before deducting depreciation and depletion charges, stood at $1,168,607, to this was added other incomes of $138,668 making a total of $1,307,275. Out of this amount $57,582 was set aside to meet taxes and $616,384 was used to meet depreciation and depletion charges.

The assets have increased from $7,229,977 to $8,036,348 during the past year. The largest item is property, which is valued at $5,363,023. Canadian government and provincial bonds are valued at $125,000 and other bonds at $1.257,313. Loans on call amount to $625.000 and inventories at cost $272,900. Of the assets there is $137,717 in cash. In the liabilities the capital stock outstanding is $4,290,003 and there is set aside for return of capital $476.667 which amounts to $1 a share. The sum of $2,600,609 is reserved for plant depreciation and mine exhaustion. A surplus of $245,184 is shown.

AMERICANS ARE NOW INVESTING IN ONTARIO MINES

Manitoba Fields Are Also Attracting New Capital

From Our Own Correspondent

NEW YORK.—While English capital has been interesting itself in the mining boom in Northern Ontario and Northern Manitoba, American mining interests have not been idle. At least three large American mining syndicates are planning to undertake development work in this portion of Canada during the coming summer. According to information obtained in mining circles here, the American Smelting and Refining Company of Boston has taken out a number of options in the district about The Pas in Northern Manitoba, and plans to undertake active development work. The Selkirk Gold Mining Company of New York, an organization owned by a number of wealthy New York business men, also plans to do a great deal of prospecting within the next few months in the same district and according to statements made by some of its officers intends spending during the next year over a quarter of a million dollars in opening up some of their claims. Yet another New York organization, The Exploration Co., Ltd., also have extensive plans under consideration. This organization which is affiliated with an organization of the same name located in London, has had an engineer in The Pas district several times during the past winter. One of them, Mr. Walter Rukeyser of this city in a recent issue of the Engineering and Mining Journal of this city told of his inspection of the Elbow Lake district. Incidentally it may be mentioned that he expressed himself as being much impressed by the possibilities of the district.

PORCUPINE-DAVIDSON FINANCE IN ENGLAND

London Financier Wants to Know Past History of Vending Company

Commenting on the efforts of the Porcupine-Davidson Gold Mines to raise capital amounting to £100,000,000 on the London Market, the Financier speaking of the estimates of value and costs as supplied by the promoters says in part: "This is necessarily a speculative proposition, the success of which will depend upon the verification of the estimates of the company's consulting engineer as to the extent of the ore bodies in the property. The average of $11 per ton of extractable ore is high for even the most efficiently operated properties in this region, the average value per ton being on the Hollinger, for instance, below $10.

"On the other hand Colonel Fielding's estimated working cost of $4 per ton is very low and could be attained only by the most efficient and economical methods of operation. Therefore, even if estimates of the extent of the ore bodies are confirmed, estimates if profits may have to be considerably modified. A little more information regarding the history and associations of the vendor company would have been welcome, and would have enabled investors to judge whether the past experiences of the property was such as to inspire optimism as to its future."

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Company reports ore receipts at Trail Smelter for the second week of April amounting to 8,089 tons, 7,927 tons of which were produced by the company's mines and 162 tons by other mines. For the year to date the receipts totalled 129,433 tons.

TRINIDAD POWER

The annual statement of the Trinidad Electric Company for the year ending December 31 last shows net earnings of $73,401, as compared with $66,451, for the previous year. Gross receipts at $502,214, compared with $423,610 for 1920 and the operating expenses were $392,812, as against $294,735. President W. B. Ross, commenting on the position of the company said in part, "In the opinion of your directors, the position of the company is much better than it has been for some years, and the prospects are that unless something unexpected should happen it will continue to improve. Since the close of the financial year there has been a great improvement in exchange and your directors have felt justified in continuing the dividend. The price of oil fuel has been reduced, although still remaining high. The cost of other supplies shows only a slight reduction."

Canada's Favorite Pipe Tobacco

OLD CHUM

OLD CHUM
VIRGINIA FLAKE CUT
SMOKING TOBACCO
REGISTERED
TRADE MARK
MANUFACTURED BY
D. Ritchie & Co
IMPERIAL TOBACCO COMPANY OF CANADA LIMITED
MONTREAL

In tins and packets

The Tobacco of Quality

New Issue

$1,250,000

Nova Scotia Tramways & Power Company
LIMITED

7% General Mortgage 30-Year Gold Bonds, Series "A"

Dated April 1st, 1922. Due April 1st, 1952. Callable as a whole, but not in part (except for the Sinking Fund) on sixty days' notice, on any interest date up to and including April 1st, 1932, at 110 and interest; thereafter, to and including April 1st, 1942, at 105 and interest; thereafter, to and including April 1st, 1947, at 102½ and interest; thereafter at 100 and interest. Coupon Bonds in denominations of $1,000 and $500, with privilege of registration as to principal only. Interest payable April 1st and October 1st. Principal and interest payable in Canadian gold coin at Halifax, St. John, Montreal, Toronto, Winnipeg or Vancouver; or, at the option of the holder, at New York, in gold coin of the United States of America. Eastern Trust Company, Trustee.

Approved by the Board of Commissioners of Public Utilities of Nova Scotia

CAPITALIZATION	Authorized	Outstanding
Common Shares	$3,500,000	$2,510,000
6% Cumulative Preferred Shares	2,500,000	2,078,800
5% First Mortgage Bonds, due December 1, 1946 . .	Closed	2,250,000
7% General Mortgage 30-Year Bonds, Series "A" (this issue)		1,250,000

Complete prospectus, copies of which will be mailed on request, contains a letter from the President of the Company, from which he summarizes as follows:—

1. The Nova Scotia Tramways & Power Company, Limited, was incorporated in 1914, and acquired the business, assets and franchises of the Halifax Electric Tramway Company, Limited. It owns and operates, without competition, all the street railway, electric light, power and gas properties in the City of Halifax; it also operates, through a subsidiary, the commercial light and power business of Dartmouth, a suburb of Halifax. The Company and its predecessors have been in continuous and successful operation for over twenty-six years.

2. The General Mortgage Bonds are secured by specific mortgage and charge on all the fixed assets' properties, franchises, etc., of the Company, and on all bonds, debentures and shares now owned or hereafter acquired by it, and by a floating charge on all other assets of the Company, subject only to $2,250,000 par value of First Mortgage 5% Bonds maturing 1946, which first mortgage is closed at the amount now outstanding.

Annual Cumulative Sinking Fund of 1% will commence in 1924—sufficient to retire over $1,000,000 par value of this issue before maturity.

3. The growth of the Company's business during the past ten years is illustrated by the following:

Calendar years	1912	1917	1921
Gross Earnings	$539,953	$859,667	$1,446,639

4. Franchises are satisfactory in terms, and, in the opinion of Counsel, without limit of time. The Company operates under the jurisdiction of the Board of Commissioners of Public Utilities of Nova Scotia. The Nova Scotia statutes provide that a public utility shall be entitled to earn at least eight per cent (8%) of the fair value of its property, subject to a deduction in certain cases for reserve for amortization.

5. Management is in the hands of Stone & Webster, Inc., of Boston, Mass., which provides operating management for more than 43 successful public utility enterprises throughout the United States and Canada.

6. Average Annual Net Earnings for the ten years 1912-1921 inclusive, after deduction of operating and maintenance expenses and taxes, were $249,816, compared with present annual interest charge of $200,000 on total funded debt, including this issue.

For the current year ending December 31st, 1922, Stone & Webster, Inc., estimate Net Earnings, after deducting operating and maintenance charges and taxes, available for bond interest, will be $309,440 or in excess of one and one-half times bond interest charges, including interest on this issue.

Net Earnings, after operating and maintenance expenses and taxes, for the three months ended March 31st, 1922, were $85,756.99 as against $54,120.54 for the same period last year.

7. With reductions now possible in operating expense due to decline in labour and fuel cost—favourable rate situation under control of Commissioners of Public Utilities—and favourable contract recently signed for output of hydro-electric power of Nova Scotia Power Commission's new plant, which will enable the Company to largely increase its business without additional capital investment—it is confidently expected that the Company's earnings should continue to show the substantial improvement evidenced since September, 1921.

We offer the above, if, as and when issued and received by us, at the price of:

97½ and accrued interest, to yield 7.20%

ROYAL SECURITIES CORPORATION
LIMITED

Head Office: 164 St. James Street, Montreal

TORONTO
58 King Street West

HALIFAX
Royal Bank Building

ST. JOHN, N.B.
54 Prince William St.

WINNIPEG
Electric Ry. Chambers

VANCOUVER
Pacific Building

NEW YORK
165 Broadway

LONDON, ENG.
7 Gracechurch St., E.C.3

MONEY BANKING AND EXCHANGE

CANADIAN DOLLAR IN BEST POSITION SINCE MARCH '18

Improvement Accompanies Successful Floating of Canadian Bonds

Canadian funds were quoted April 24, at the lowest discount rates recorded since December, 1918. The lowest quotation was 1¼ per cent. In the early part of March of this year the premium rate was at 1⅞ per cent. Reports of continued improvement in our trade position are declared by prominent bankers to be the chief cause of the betterment in the exchange situation from the Dominion's standpoint.

The floating of the $100,000,000 loan in New York was also one of the chief factors in bringing about the sudden advance in the Canadian dollar. Recent successful flotations by the Ontario Government and by private enterprises have also tended to a lower exchange rate. This improvement in the discount rate speaks very highly of our financial position in the eyes of the American bankers.

The settling of the secret Russo-German treaty at the Genoa Conference and the general clearing of the situation there had a strong upward effect on the European exchanges. Sterling steadily advanced during the week from $4.41 to over $4.43 which is just under its high point of recovery. Both francs and lire made new highs for the year, the former at 9.37 and the later at 5.55. Norwegian kroner also advanced to the best price for the year at 19.05 on account of the loan that is now being negotiated in the New York market.

Bankers say that there is not likely to be any serious break in the exchange rates no matter what the news from Genoa might be; authough the day-to-day variations in the rates are largely due to the events happening there.

The British trade and industry show continued improvement in spite of the strike, and the iron and steel exports are larger than any time since May, 1914, which all tends to strengthen sterling exchange.

NEW YORK FUNDS

April 20.—Opening quotations at 2 3-16, represents decline of ⅛ from previous close. Closed at 2 3-32.

April 21.—Dipped below 2 level, to 1 15-16, closed at 2 per cent.

April 22.—Dropped to a low and close of 1⅝.

April 24.—Lowest point reached since March, 1918, at 1 1-16.

April 25.—Unchanged at 1 1-16, reacting at close to 1 3-16.

April 26—Funds slightly firmer at 15-16, closing at 1 7-16.

STERLING AND FRANCS

	Dem.	Cables	Dem.	Cables
April 20..	$4.41¼	$4.42	10.71	10.73
April 21..	4.41⅝	4.42⅜	10.70	10.72
April 22..	4.42¼	4.43	10.72	10.74
April 24..	4.42¼	4.43	10.74	10.76
April 25..	4.42⅝	4.43⅜	10.72	10.74
April 26—	$4.42⅝	$4.43⅜	10.84	10.86

UPS AND DOWNS

Buy Low and Sell High is a Very Simple Rule

It used to be said that when the newspapers are all bullish and you hear on all sides talk of stocks going ten or fifteen points higher, it is high time to sell out, especially if the market has enjoyed a good rise. The opposite, says Barrons Weekly, is generally true—when everyone is talking reaction, the reaction seldom comes. An old friend of mine makes it a point to test out the consensus of opinion in several board-rooms and of his friends who speculate, and then do the opposite. The bucket-shops exist entirely on the theory that the public are always wrong; and when the public upset this rule and made money this spring, the bucket-shops, which had taken the other end of the trades of their customers, went to the wall.

RADIOPHONE IN BANK

Customers Are Entertained With Wireless Program

Charles V. Sancot, banker at Humboldt, S. Dakota, has installed a radio station in his bank. Mr. Sancot is more than pleased with his venture. He says that he and his customers spend many interesting hours listening to the world news about when it happens. He states that last evening they heard messages sent out from Pittsburg, Pa., Newark, N. J., and other points in the East, including Detroit, Mich. At the Michigan city one of the daily papers has installed a broadcaster and the station at Mr. Sancot's bank finally picked up the news from Detroit. In the midst of some general news there was a break-in with the information that news had just been received of the stealing of a high priced car from a public place in Detroit. Thus the people of Humboldt knew this one piece of news almost at the very minute that it happened, although nearly 1,000 miles away.

Improvement Expected in Brazilian Exchange

"Brazilian exchange, which was at 70 per cent. discount about a year ago is now about 50 per cent. There is a hopeful feeling that with better business conditions, milreis will continue to improve," said E. L. Pease, vice-president of the Royal Bank of Canada. Mr. Pease has just returned from an extended trip to Brazil and other South American countries and in reference to the situation in Argentine and Brazil says:

"The commercial outlook has improved considerably of late, both in the Argentine and Brazil, owing to the rapid movement of wheat and the good demand for wool in the former country, and the active demand for coffee in the latter."

Weekly Bank Clearance

(In comparison with same week last year)

EASTERN CITIES

	April 20, 1922.	Change	%
Montreal	$ 71,874,027	—$43,245,246	37.5
Toronto	66,003,939	— 38,838,366	37.0
Ottawa	6,440,103	— 898,033	12.2
Hamilton	4,625,984	— 1,807,733	28.1
Quebec	4,224,067	— 2,071,648	32.9
Windsor	2,956,301	— 831,255	21.9
St. John	2,360,444	— 743,932	23.9
London	2,350,307	— 1,117,470	32.2
Halifax	2,201,907	— 1,372,754	38.4
Moncton	1,120,092	— 53,426	4.5
Brantford	975,373	— 427,200	30.4
Kitchener	796,313	— 207,161	20.6
Peterboro'	679,705	— 244,158	26.4
Sherbrooke	618,710	— 556,179	47.3
Total East	$167,227,272	—$92,434,561	35.5
Kingston	617,834		

WESTERN CITIES

	April 20, 1922.	Change	%
Winnipeg	$ 39,704,654	—$ 6,349,654	13.7
Vancouver	10,043,204	— 5,534,720	35.5
Edmonton	4,179,733	— 485,571	10.4
Calgary	4,145,654	— 2,730,801	39.8
Regina	2,667,710	— 855,605	24.2
Victoria	2,056,647	— 279,321	11.9
Saskatoon	1,403,389	— 516,884	26.9
Moose Jaw	992,789	— 498,544	33.4
Brandon	729,639	+ 25,398	3.6
Lethbridge	481,569	— 234,882	32.8
N.Westminster	440,658	— 155,807	26.1
Prince Albert	281,956	— 32,858	10.4
Medicine Hat	221,003	— 213,552	49.2
Total West	$ 67,348,605	—$17,862,801	20.9
Grand Total	$234,575,877	—$110,297,362	31.9
Ft. William	504,577		
Year to date	$3,435,260,134	—$391,513,808	10.2

ONTARIO'S FRAUD LAW

Montreal Gazette

The aim has been to ensure a maximum of safety with a minimum of interference, and the bill, in view of these features, cannot be regarded as coming within the category of "blue sky legislation," although that description has been applied to it. Blue sky laws, as a rule, have failed because of their extreme character. There are laws of this sort in forty-five of the United States, and the public have not found safety under them. More can be done by moderate restrictions, soundly devised and consistently applied. The Attorney-General of Ontario has followed the example of the English law and is seeking to achieve real results by refraining from an attempt to do too much.

ADJUST BANK ACT TO SUIT CURRENT TRADE SITUATION

Following is a second installment of the address of W. N. McKay, manager of the Bank of Hamilton at Windsor, before the Junior Chamber of Commerce of that city, in which he discusses amendments to the Bank Act to meet prevailing conditions.—J. W. T.

Another feature is the granting of credits in Canada. There is no country in the world where such large individual credits are granted, and this is only possible by reason of the intimate knowledge of the customers affairs that the Canadian has, as we require a customer to give us yearly statements of his affairs, and we also require that he confine his borrowings to the one bank. If a customer is granted a line of credit he gets it with no strings on it, that is he is able to get it for the year, but he does not have to use it all at once, in other words he only pays for what he borrows, and we do not, as is done in the United States, require him to keep a certain amount of his credit, so that we can lend his money to some one else.

Another very important feature is that the bank charters are subject to revision every ten years; in the U. S. charters are granted for usually thirty years, and in some cases the charters are practically perpetual. Our Canadian bank charters are only granted for ten years, and they all expire on the same day. This was done originally, because at the time of Confederation, we were not sure that we had a perfect banking system, so it was decided that at the end of every ten years the banks would get together with the Government and revise the Act.

Periodical Revision

So every ten years the bankers and the Government get together and it is in the power of the Government (and the Government is the people) to make what changes they see fit in the Bank Act, and it is to the credit of the banks that any changes that have been made, have generally been made at their suggestion and have been in the interest of the country as a whole.

Another feature is the free issue of notes by the banks against their general assets; this was the early system in use in the United States, and is the best paper money system in the world. The Canadian bank note goes out to form some definite service, and when it has done this or perhaps on a second or third, it is removed or disappears. It is a first charge on the assets of the bank, even ahead of the State, and every bank guarantees the notes of every other bank, so that in no case can an individual lose on a bank note by the failure of a bank. So that we have a circulation, which can only be inflated because prices are inflated, and an undue amount of loans made by the bank. When prices fall and loans are restricted, the bank note circulation at once lessens in volume accordingly.

So you see that our banking system is one that began as early as 1817, and although improved from time to time, yet it remains almost the same in so far as its main features are concerned, so that our banking system has been a process of evolution, not one of revolution as they have had in the States. Our system is not perfect and the banks are only too glad to make any changes in the Act that would be of benefit to the country as a whole, provided they do not interfere with sane economic laws and usages that have proved effective in the past.

KAMINISTIQUIA PAPER

The property of the Kaministiquia Pulp and Paper Company of Port Arthur, consisting of a fully equipped and ready to operate ground wood mill and sixteen acres of land under lease has been sold by public auction. The purchaser of the mill and land is the Consolidated Water Power and Paper Company of Wisconsin Rapids, Wisconsin, and the price paid is given at $175,000.

Current Loans Higher

Another Increase Although Small Indicates Further Gradual Expansion of Business Activities in Canada

A further increase in call loans is indicated in the bank statement for March, indicating that business conditions are improving slowly and that more money is being used by trade and industry. The increase for the month was about $5,650,000, but the total is still $131,800,000 below a year ago. In making this increase to business and an increase of $3,250,000 to meet the difficulties in the stock market the banks reduced their call loans in New York by $8,750,000 and current loans abroad by about $3,750,000. The gold reserve was increased by $11,450,000 but holdings of dominion notes were reduced by about $21,700,000.

Savings deposits were practically unchanged and demand deposits not materially reduced. Following are comparative figures:

ASSETS

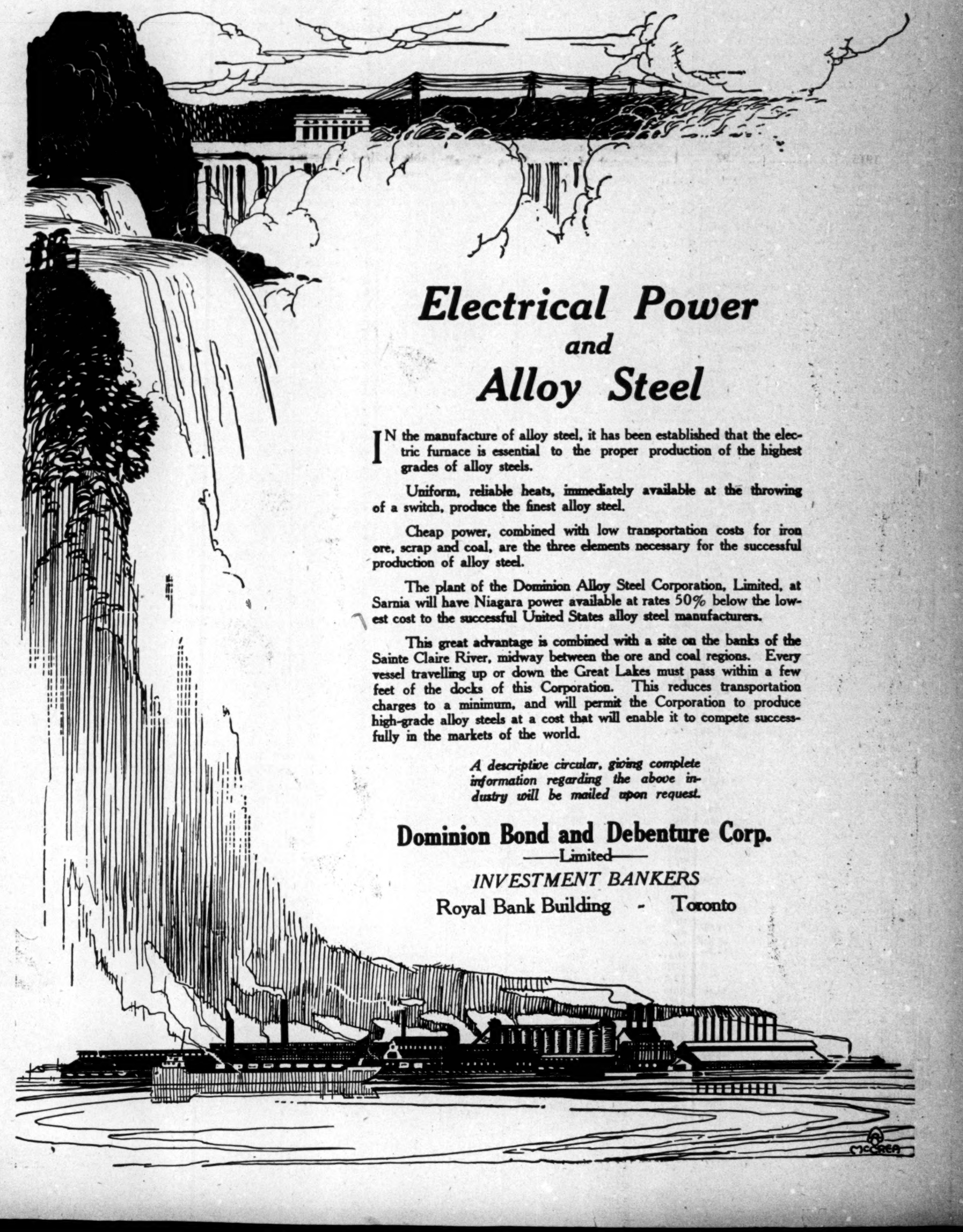
	March, 1922	Feb. 1922	Change	March, 1921	Change
Specie	$81,117,613	$77,659,893+	$3,457,720	$84,731,382—	$3,613,769
Dom. Notes	161,384,366	183,106,706—	21,722,340	165,977,483—	4,593,117
Can. Call	103,638,801	100,379,637+	3,259,164	113,818,308—	10,179,507
Call loans ab'd	163,779,882	172,530,600—	8,750,718	168,598,046—	4,818,164
Current	1,149,187,869	1,143,538,489+	5,649,380	1,280,982,873—	131,795,004
Loans ab'd	151,969,504	155,706,861—	3,737,357	164,093,930—	12,124,426
Gold res.	60,352,533	48,902,533+	11,450,000	95,302,533 —	34,950,000
Total assets	2,622,756,500	2,645,614,035—	22,857,535	2,909,270,494—	286,513,994

LIABILITIES

	March, 1922	Feb. 1922	Change	March, 1921	Change
Circulation	$162,651,367	164,490,301—	1,838,934	206,094,668—	43,443,311
Demand dep.	484,233,074	488,079,674—	3,846,600	560,937,668—	76,704,589
Savings	1,230,628,840	1,231,349,001—	720,161	1,319,142,196—	88,513,356
Total dep.	1,714,861,914	1,719,428,675—	4,566,761	1,880,079,859—	165,217,945
Foreign dep.	265,747,914	267,435,578—	1,687,664	300,181,609—	34,433,695
Total liab.	2,348,670,584	2,370,542,898—	21,872,314	2,622,550,611—	273,880,027

LA BANQUE NATIONALE
Founded in 1860
THE OLDEST FRENCH-CANADIAN BANK
HEAD OFFICE: QUEBEC, P.Q.
Our 347 Branches in the Province of Quebec offer to the public unquestioned advantages for the prompt collection of accounts.
Correspondents throughout the world
BOARD OF DIRECTORS
PRESIDENT
Hon. Geo. E. Amyot, M.L.A.—President of the Dominion Corset Co.
VICE-PRESIDENT
J. H. Fortier—Vice-President and General Manager of P. T. Légaré, Ltée.
DIRECTORS
A. N. Drolet—of P. G. Bussières & Cie., Quebec.
Nap. Drouin—President Rock City Tobacco.
A. B. Dupuis—Wholesale Merchant, Quebec.
Naz. Fortier—Leather Manufacturer, Quebec.
Sir Geo. Garneau—President of Garneau Ltée., Quebec.
J. B. Laliberte—Manufacturer of Furs, Quebec.
Hon. J. Nicol, K.C.—Provincial Treasurer.
C. E. Taschereau—Notary, Pres. Eastern Canada Steel & Iron Works.
Henri DesRivieres—General Manager.

We recommend and offer the 7% bonds of the
Nova Scotia Tramways and Power Company, Ltd.
The Company owns and operates all the street railway, electric light, power and gas properties of Halifax, and the light and power business of Dartmouth. The Company and its predecessors have been in successful operation for over 26 years.
Denominations: $500 and $1,000
Interest payable 1st April and 1st October in Canada and also New York.
Price: 97½ and int., yielding 7.20%
Write us now for application form and prospectus.
L. M. Green & Co.
Members Toronto Stock Exchange
Union Bank Bldg., - - Toronto.



Electrical Power and Alloy Steel

IN the manufacture of alloy steel, it has been established that the electric furnace is essential to the proper production of the highest grades of alloy steels.

Uniform, reliable heats, immediately available at the throwing of a switch, produce the finest alloy steel.

Cheap power, combined with low transportation costs for iron ore, scrap and coal, are the three elements necessary for the successful production of alloy steel.

The plant of the Dominion Alloy Steel Corporation, Limited, at Sarnia will have Niagara power available at rates 50% below the lowest cost to the successful United States alloy steel manufacturers.

This great advantage is combined with a site on the banks of the Sainte Claire River, midway between the ore and coal regions. Every vessel travelling up or down the Great Lakes must pass within a few feet of the docks of this Corporation. This reduces transportation charges to a minimum, and will permit the Corporation to produce high-grade alloy steels at a cost that will enable it to compete successfully in the markets of the world.

A descriptive circular, giving complete information regarding the above industry will be mailed upon request.

Dominion Bond and Debenture Corp.
—Limited—
INVESTMENT BANKERS
Royal Bank Building - Toronto

NEWS AND VIEWS FOR MANAGERS

CLEARING HOUSE FIGURES MISLEAD AS A BAROMETER

They Must be Carefully Weighted to Decide Their Value

By A. B. BARKER,
Manager, Toronto Clearing House.

In one way clearing house figures may be compared to the range flags of a rifle range which are placed to show the direction and force of the wind but if the standards in which they are set are being constantly stuffed, the flags would give very little information to the riflemen.

It is a question whether much of the homage paid to cleaning house figures in the press is not due very largely to the fact that they are big and therefore, impressive. Elaborate columns of percentages are given. The figures of one week are compared with those of another, and frequently the clearings of cities in different countries are given as means of comparing their business activities. When so used, however, these comparisons are very misleading and many of the deductions, therefore, valueless. Like most statistics these figures are in terms of money but as the value of money has shown extreme fluctuations since 1914 these must be allowed for in order to make a comparison, even of local clearings, with any degree of accuracy. When difference in value of the measure, differences in methods of clearing and settlement, as well as differences in matter cleared, are allowed for, as they are in some economic literature, the clearing house returns do furnish a basis of comparison of business activity, but the figures of clearings as they usually appear mean little or nothing although many seem to draw comfort from the mere size of them.

Business since 1913 as we all know has been on a more contracted scale than before the war yet the clearing figures for 1920 were double those for 1913. The reason of course is the reduced values of the dollar and measure of value. Taking 1913 as the standard the average value of the dollar in the ensuing years up to 1921 was approximately as follows:

1913	$1.00
1914	1.00
1915	.92
1916	.74
1917	.56
1918	.50
1919	.48
1920	.40
1921	.55

The value of money or currency depends entirely on what it will purchase in the ordinary course of trade as money, although our measure of value, is also a commodity and a price, expressed in terms of other commodities, has fluctuated materially in recent years, as most of us have realized. These fluctuations are now measured monthly by the index numbers of the department of labor. The average wholesale price of a given number of commodities over a ten year period, 1890-1900, was taken as the standard and as it takes more or less of the commodity—money—to purchase a given quantity of other commodities, the value of money as gauged by its purchasing power is considered to fall or rise. In this way the rise or fall in the cost of living can be measured with fair accuracy and with it of course the value of money.

The following table of Canadian clearings for the years from 1913 to 1921 together with the "weighted" figures will show approximately what they would have been had the dollar of 1921 been the same value as 1913.

	Actual Clearings	Adjusted Figures
1913	$ 9,275,139,154	$ 9,275,000,000
1914	8,087,728,595	8,087,000,000
1915	7,805,888,010	7,181,000,000
1916	10,509,496,065	7,776,000,000
1917	12,564,633,205	7,035,000,000
1918	13,776,332,726	6,888,000,000
1919	16,701,279,382	8,016,000,000
1920	20,283,555,305	8,113,000,000
1921	17,453,211,779	9,599,000,000

In these totals how much is accounted for by the volume of business arising out of the victory loan, and also by the huge transfer funds occasioned by the sales of Canadian bond issues in the United States last year it is impossible to say, but they had their effect. An active stock market would also swell the totals.

Method of settlement also has a bearing. In only one clearing house in each province is settlement made in cash, i.e., legal tender notes. In all the others it is made by draft on a clearing centre. In Hamilton for instance the daily settlement between the members is by draft on Toronto, and the local clearings here will be increased accordingly. As against this there is of course the volume of business between branches of the same bank and between customers of the same bank, none of which goes through the clearing houses. The fact that since 1913 six banks have been absorbed by others will tend to reduce the clearing volume as it would increase the volume of business between customers of the same bank and the only transactions through the clearing house are those between different banks.

Comparisons between Canadian, American and British clearings are very misleading owing to different methods. In Canada a considerable part of the volume of clearings comes from the bank notes sent in each day for redemption to the issuing bank. In the United States owing to a different basis for their currency bank notes are not cleared as with us.

In Scotland bank notes are cleared but the volume is much less than in Canada. In London cheques only are cleared as in the United States. In London too stock market operations do not have the same effect on clearing house figures owing to the stock exchange custom of settling the trades of the members, only twice a month instead of daily as is the custom in Canada and the United States.

In the last named country with its system of independent offices the volume will naturally be much larger in proportion than in Canada where the branch system operates. In this connection it is reported that in some American centres, where the clearing house figures are worshipped according to their size, the custom is growing of including in the totals of reported clearings—the figures of the clearings for returned items. These consist of those items sent in through the first clearing and payment of such for one reason or another has been refused by the bank on which drawn.

As has been stated clearing house figures when properly used do give information of value to statisticians but when the figures are artificially swelled in this way they lose their value as indices.

What a Bank Is

"Banks came with civilization. They have grown with civilization. With the earlier forms of industry and trade came the early forms of banking. At first it was a side line to other business. The goldsmiths began it because they were prepared to keep gold and silver in safety; and all the money was in gold and silver then. Later, merchants undertook it as a branch of their affairs. Finally it became what it is to-day—the business that guards and feeds and develops every other business," says the National Exchange Bank of Roanoke, Va.

"Few people understand all the workings of a bank. Most people think of it as a place where you may leave your money, to be paid out upon checks whenever you wish to use it. But a bank renders many services besides receiving deposits and paying checks. People should know what these services are and why it renders them. Their banks will become more useful when they understand them better.

"You will understand the bank better when you consider the full scope of its work. It is like the city reservoir in which many drops of water that were once scattered are first gathered together and then sent through the factories and stores and dwellings of the city to render useful service. It is like the power station, where water that was running to waste or lumps of coal that were rendering no service are transformed into power that moves the wheels of the mills and the cars and carries light and energy into stores and homes.

"You will understand the bank better when you understand that if a thousand people carried their spare money around in their pockets it would do them very little good, because no one of them would have enough to operate a factory or conduct a store. But if each of them placed his surplus money in a bank, the bank could lend a part of it to the manufacturers, a part to the merchants, a part to the farmers, and that would mean more manufacturing, more agriculture, and more commerce—the things which make communities grow, and which bring prosperity to every one who lives in the communities."

MONTREAL

The Bank of Montreal announced the following appointments of managers: A. R. Pye, manager at Gaultois, Newfoundland, appointed manager at Carbonear; R. T. Baxter, of Ethelbert, Man. as acting manager at Ethelbert; L. J. Ozon, manager at St. George's, Newfoundland, appointed manager at Gaultois; W. G. Tranmer, appointed acting manager at Lyn, Ont.; D. W. Oliver, associate manager at Ottawa, appointed manager at Drummond and St. Catherine Streets, Montreal; J. T. Stevens, manager of the Foreign Exchange Department, Montreal, appointed joint manager at St. Peter and St. James Streets, Montreal. This last branch is the one that was taken over from the Merchants Bank. O. W. Bridges, sub-agent at Wellington Street, West Sault Ste Marie, Ont., appointed manager at that office.

YOU CAN'T DOUBLE MONEY VALUE BY CUTTING IT IN TWO

Some Lessons From the Proposal of Greek Minister

From Greece comes the report of the closing of the Bourse and the National Bank in consequence of the recent government proposal for a forced loan. The Minister of Finance introduced the measure and it was handed out to a committee to investigate. He proposed that immediately the bill became law each bank note in circulation was to be divided into two halves, one of which was to remain in circulation at one half the value of the whole note, the other to become part of a bond of the forced loan and to bear interest at 7 per cent. How much of this currency he expected to find in circulation after he had given notice is not stated, but that he expected any is a fair indication of his business sense. He might have known that at the first hint that the negotiability of the notes was to be reduced over half, there would be a rush to present them for redemption before the law came into effect.

Bank notes depend for their free circulation on the willingness of the general public to accept them in the ordinary course of trade in exchange for goods or services, and this willingness depends in its turn on the belief of the public that they will be redeemed at face value on demand. Throw doubts on this feature and the value of the note in exchange at once falls, the extent of the reduction depending on the general estimate of the chances of eventual redemption.

On Basis of Confidence

This is one of the strong points of the Canadian bank notes. They are not money but promises to pay money and circulate at par because of the faith of the public in this promise to pay on demand the amount the note calls for. This faith is strengthened by the constant daily stream of bank notes coming in for redemption to the issuing bank as part of the ordinary business routine. The trouble with Greece as with so many of the small states in Europe is that in the past their governments have always been able to float a foreign loan when the revenues have failed to meet the expenditures and now that this method is out of the question the politicians are at a loss.

Also some of these little states received subsidies from one or other of the powers and these are not forthcoming at present for different reasons. The result is that those in power are willing to try any scheme no matter how visionary so long as it promises a way of raising funds by any other means than actually taxing themselves. In this way they are no different from boom towns on this continent. In the old days in a Western mining camp in B. C. the municipality was short of funds and the usual means of revenue outside of taxes were not producing as expected. The heavy police court fines which the houses in the red light district were able to pay during the boom were driving the inmates out of town as the boom flattened out and the treasury was suffering. Someone suggested allowing a few roulette wheels in on a stiff scale of fines. They came and the church people objected. So also did the red light ladies but for different reasons. What finally resulted was that the merchants found their bills were not liquidated on pay day and then the wheels soon went.

The Greek scheme while new in detail is really a variation of the French revolutionary issue of assignats based on the confiscated lands of the church and the Emigres'. These assignats bore interest but as the redemption was problematical their value soon dropped and when in later years they were retired it was at the rate of three cents on the dollar. The resentment of the public at their losses through this currency was to some extent responsible for the ease with which Napoleon was able to overthrow the Republic. He promised some stability of currency as well as of authority. Men will put up with much misgovernment so long as they can be made to believe that their own pockets are not suffering. When they realize that it is their money which is being squandered by those in power the time for a drastic change is not far away.

STERLING

The Sterling Bank announces the following staff changes: J. A. Dickinson, assistant accountant Toronto office, transferred to the credit department; D. W. McClure, accountant at Cornwall, appointed manager at Dungannon, replacing C. O. French, who is at present relieving the manager at Newtonbrook; R. H. Sayers, manager at Eden, appointed manager at Queensville.

LABORERS GET 25 CENTS AND BRICKLAYERS $1

(Continued from Page 1)

anticipated. THE FINANCIAL POST'S New York correspondent says that American manufacturers are again seeking locations for Canadian plants. They do not anticipate any important reduction of the Canadian tariff and the improvement in the value of the Canadian dollar has not as yet, they say, increased Canadian buying of their products.

THE FINANCIAL POST'S Regina correspondent reports that there will be decreased area seeded in Saskatchewan this year as compared with 1921. This is due chiefly to two causes: first, the fact that huge areas of farm lands are flooded to such an extent that even with good weather they cannot dry up in time to produce wheat; second, low prices and damaged crops in the 1921-22 season had the effect of rendering many farmers financially incapable of operating on as large a scale this year as last.

In addition, many agriculturists have developed the canny and cautious sense—which all farmers have—and are paying less attention to commercial crops. They are having it brought home to them every day that it is better business to put in a vegetable garden than pay a big store bill; more economical to keep a few cows than to disburse hard-earned "shekels" to the dairies.

The provincial government can claim a good deal of credit for the extension of mixed farming methods. Though the Department of Agriculture has been carrying on a campaign for "diversity" for some years, the advice which they disseminated during the fat years when wheat was a big price, went in one ear and cut the other of the "plutocratic" agricultural class. Now the farmer, seeking eagerly for the reason why wheat prices slumped, is beginning to heed the paternal voice of the government, he begins to realize that Canadian wheat is in competition with the wheat of other natons and that this competition is likely to increase raher than diminish, for even the agriculturist can see that Russia will soon be competing in world grain markets, and before the war, Russia was Canada's greatest competitor.

COMMERCE

W. J. F. Ross, who has been manager of the Forest branch of the Canadian Bank of Commerce for the past eight years, has been transferred to London, Hamilton road branch. D. Rymer of the Walkerville branch takes charge at Forest.

CLASSIFIED

Old-established firm desires General Hail Agency for Northern Saskatchewan. Having an exceptionally wide organization already established, a large volume of business can be immediately realized. This is a very unusual opportunity. P.O. Box 1104, Saskatoon.

Efficient Banking Service Means:

LOANS available when circumstances demand and conditions warrant, at fair rates of interest;

Practical assistance in the solution of business problems;

Development of Canadian industries on a sound basis;

Prompt remittance for bills placed with any branch of the bank for collection;

Adequate foreign connections to provide for Canadian exporters and travellers, the most efficient facilities for collections and remittances.

All these services The Bank of Toronto affords to its customers. With its system of branches and agencies, and its policy of employing its funds exclusively in Canada, it is in a position to render practical service in the solution of your business problems.

Consultation with our nearest Manager is invited.

Capital - $5,000,000
Reserves - $7,000,000

Incorporated 1855.

108

THE BANK OF TORONTO
THOS. F. HOW
General Manager

Lydiatt Says—

Lydiatt's book, 1922 edition, the standard authority on rates and data concerning Canadian advertising media is just off the press. The information it gives concerning Canadian financial papers indicates that THE FINANCIAL POST is far ahead of all other papers in its field.

Here are the facts concerning the circulation of Canadian financial papers as given in Lydiatt's:

Paper	Sub. Price	Circulation	
THE FINANCIAL POST	$5.00	Publishers report for 6 months ending December 31, 1921:	
		Total net paid	8,569
		Total distribution	9,314
Second paper	3.00	Publisher states average for 1921:	
		Total net paid	6,150
		Total distribution	6,300
Third paper	3.00	Publisher states gross average for 1921	5,087
Fourth paper	2.00	Publisher states average for 1921	3,500
Fifth paper	3.00	Publisher states gross average for 1921	3,173
Sixth paper	2.00	Publisher states gross average for 1921	2,300

In Lydiatt's the name of THE FINANCIAL POST is printed in bold type. This means that its circulation is audited by the authoritative and independent Audit Bureau of Circulations, which sends its auditors into our office once a year and audits THE POST'S paid circulation as carefully and frankly as a firm of chartered accountants audits the financial records of an industrial corporation. THE POST is the only Canadian financial paper the circulation of which is submitted to this independent scrutiny and analysis. The circulation figures of THE POST are facts, not claims.

Advertisers who get their papers as such, and advertising agencies, are not included in THE POST'S paid circulation under A.B.C. practice, although they form a substantial and valuable addition to the circulation the advertiser in THE FINANCIAL POST is buying.

Because THE POST'S circulation is audited by the independent Audit Bureau of Circulations the advertiser knows that the figure of 8,569 net paid circulation is authoritative and that it includes no advertisers, no subscriptions long in arrears and no free copies of any kind, an assurance which cannot be had when only the unendorsed claim of the publisher is available. It is this which accounts for the spread of 750 between total net paid and total distribution.

Note too that THE FINANCIAL POST has the highest subscription price of any of the papers in the list. The readers of THE POST find it so much more valuable to them than any other paper that they readily pay the extra price; they know that the paper is worth it. The higher subscription price insures the advertiser that THE POST is read thoroughly by the men who take it.

It is only because THE POST is the best paper editorially—in its news, views and facts—that it is so dominant in circulation.

The advertiser who has a message for business executives, for investors, for the sane thinking men of Canada who comprise the solid bulk of the nation's purchasing power, can reach them in THE FINANCIAL POST. Its readers are of that class who in difficult years can buy substantially—be it bonds, stocks, insurance, motor cars, furniture or what not—well balanced people who in boom days do not buy recklessly and who in more difficult days do not get panicky and close down altogether.

The Financial Post Gives the Advertiser "QUANTITY of QUALITY."

THE FINANCIAL POST

Members of the Audit Bureau of Circulations

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - HORACE T. HUNTER
Manager - - - - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - - J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisement."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureou sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

ADVERTISING RATES:

Single insertion .... $ 2.80 per inch
Financial Reports, Debenture Notices, etc., 20c per agate line

SUBSCRIPTION PRICE:

Canada, the United States and Mexico .... $5.00 per annum
Great Britain, Ireland, and Colonies having minimum postal rates .... £1 1s. 0d.
France and other Countries .... £1 7s 6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

PUBLISHED BY

The MacLean Publishing Company, Limited

143-153 University Avenue, Toronto

MONTREAL, Southam Building, 128 Bleury Street, M. Foster; WINNIPEG, 901 Confederation Life Bldg., W. A. Dover; VANCOUVER, 314 Carter-Cotton Building, Roy Hunter; BOSTON, 734 Old South Building, C. L. Morton; NEW YORK, Room 1606, St. James Building, 1133 Broadway (corner 26th Street), A. R. Lowe; CHICAGO, 403 Transportation Building; CLEVELAND, 1261 East 99th St., W. L. Gifford; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, director.

THE FINANCIAL POST has the largest paid circulation of any Canadian financial paper.

The detailed statement we submit is not our own claim, but the sworn finding of the Audit Bureau of Circulations. The recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

TORONTO, APRIL 28, 1922

UNEMPLOYED DEMAND RUSSIAN MARKETS

A MASS meeting of Canadian unemployed recently passed a resolution calling upon Federal and Provincial governments to do all in their power to re-open trade with Russia, as such a step, it was argued, "would rejuvenate industry and relieve unemployment in Canada."

The promoters of the resolution were, of course, Soviet agents, but the supporters must have been reading Colonel Mackie's appeal where he alleged $800,000,000 war orders had come to Canada and the United States, or possibly they read the statement attributed to Sir Charles Gordon, the Canadian delegate to the political sleight-of-hand, Genoa conference, that he was going to advocate the recognition and opening of trade with Russia.

In the best pre-war years Russia bought less than one half of one per cent. of Canada's total exports. A novice in political economy can readily figure how valueless Russian trade is to-day and will be for years to come. On the other hand, Russia is our most vigorous competitor in the export trade and, judging from occasional remarks in the press, Canadians in rural districts are beginning to recognize this fact.

INCOMES OR HOURLY SCALES?

IT WAS stated recently that 90 per cent. of the persons who sought charity during the winter were engaged in the building industry. They were out of employment a good part of last year and therefore had nothing saved up for the dull months of the winter.

They were out of employment last year and are now, because the persons who wanted to build refused to pay the prices some manufacturers were still asking for all kinds of material; because contractors wanted war-time profits, because the trade unions wanted war-time wages. Those of us whose work compels them to get the viewpoint of all classes, repeatedly told the manufacturers, contractors and unions that this was the public sentiment, that on the scale of prices prevailing a year ago only the most urgent building would be done, that if they did not meet the wishes of the public there would be much unemployment. Manufacturers with reserves cut off by the war and income taxes and the impossibility of getting more money from the banks—and the banks are only able to pass out the money given to them for that purpose by the public—generally made a generous reduction. Contractors made some but not enough and the unions with a few exceptions refused to make any at all on the ground that the cost of living had not gone down.

There are great possibilities here for our ministers of labor to bring conflicting interests to a better understanding. Annual incomes are more important than hourly scales.

THE MOST PROFITABLE BY-PRODUCT

MANY business men accustomed to taking a broad view of situations know that the most profitable by-product any country or locality can have is tourist travel. Canada has been getting a good deal out of this in spite of crude methods, poor service and promoters' misrepresentations. Poor service comes from ignorance and lack of experience in how to entertain and not because of any unwillingness to do everything possible to make guests comfortable and happy. We Canadians, rich and poor alike, do not get as much comfort and happiness out of life by any means as do Europeans of all classes. Perhaps the stimulation of our climate makes us too nervous in our acts and less thoughtful in our service, and we are content with unfinished conditions as we necessarily have them.

In most places we have formed tourist associations, tourist clubs and town publicity associations, but too often we have not put the management, the expenditure of the money, the carrying out of the campaign in the most capable hands. Too often the management has been of the four-flusher type and the methods of attracting visitors have been very similar to those used by oil stock, or real estate sub-division promoters. They failed to impress and generally disgusted intelligent travellers.

Vancouver appears to be one of the conservative centers. We have just been reading their annual report. They have a tourist manager, Reginald Davidson, a graduate of Toronto University, dignified, sincere and ultra cautious in character and not unlike his brother the late D. Davison, whom thousands of former Toronto Normal and Model School boys now scattered throughout the Dominion will remember as a master. This is a type that creates and merits the confidence of visitors. The report for last year is well worth having as a model for other localities to follow and Mr. Davison is the type of man who is needed to create confidence and hold the good-will of visitors. The Vancouver policy, while it does not say so, clearly indicates that the tourists are attracted by straight-forward, frank advertising and that the Vancouver people lay more stress on taking care of visitors when they have them in the province than in getting them. This is the real secret that most of us have yet to learn of attracting and holding the millions of visitors who will spend hundreds of millions in Canada.

One action may be mentioned that is typical of their policy. Expecting an influx of motor travel from the U. S. over July 4, the Vancouver Board maintained a big tent for several days at the border point where an intelligent, courteous staff cordially welcomed the visitors, helped them through the Customs, gave them road maps, views etc., and made suggestions for their stay. They have organized amusements such as band concerts, sports and special events for the summer tourists but as Vancouver is now becoming a winter resort, particularly for prairie farmers, owing to its favorable climate they are arranging regular winter entertainment, and a special feature is the establishment of public heated baths together with a tea-garden where music and other indoor amusements can be enjoyed by visitors. Travel is growing rapidly. In all of 1920, 78,706 passengers came in by foreign automobiles, while for six months of 1921 only they had 80,732. We can leave it to statistical experts and those experienced in tourist travel to figure the many millions of dollars such foreign visitors are worth to the Province of British Columbia.

The cost of all this has been very small. The City gave a grant of $10,000 and the Rotary Club raised $27,000 and when the year closed they had over $5,000 on hand.

There are few localities in Canada that cannot bring a lot of easy money into their own district but let us advise them to follow the example of Vancouver; cut out the four-flushing trick or stunt advertising agent or manager and put the work in charge of a conservative, plain, capable business man. Build up travel as any permanently successful business is built up. Train the citizens as a whole to render cordial attention to all strangers, put up with some of their idiosyncrasies and make them comfortable, contented and happy.

AND—"IT DOESN'T COST A CENT"

WE ARE BEING continually informed by the Hydro and its newspapers that public ownership in Ontario is entirely self-sustaining and it is not costing and will not cost the people of the province one cent. Consider some of the actual facts.

Fort William is making a demand that the Ontario government take over the Nipigon development, that power be sold at a price which consumers can afford to pay and that the excess millions be charged to general expenditure and paid by the general taxpayers of the province.

The suggestion has already been made that $10,000,000 or $20,000,000 of the cost of Chippawa be charged to general expenditure and included in the tax bills so that power from this development can be marketed at a price which manufacturers and other consumers can afford to pay.

Even where the municipalities are responsible, and they have not advanced a cent of the millions spent on Chippawa, it is the credit of the province upon which the money is borrowed and everyone knows what would happen if the province ever tried to collect from the municipalities. The experience of the Municipal loan fund supplies the answer.

What is wanted in connection with both Chippawa and Nipigon is a careful investigation to decide what power is going to cost, what the probable market is and what portion of the burden must be borne by the general taxpayers if manufacturers and other consumers are not to be charged prohibitive prices.

EDITORIAL NOTES

THE CHIPPAWA commission of inquiry is spending a lot of time deciding the lines and scope of the investigation. This could have been simplified by the appointment of one of the members who acted on the Hydro Radial inquiry.

* * * *

SPEAKING AT the annual meeting of the American Pulp and Paper Association, Frank B. Willis, Ohio, said that while Canada is a vigorous, friendly competitor, she can produce mechanical pulp 23 per cent. lower and chemical pulp 19 per cent. lower than it can be produced in the United States.

* * * *

THE LONDON ADVERTISER quite properly asks if it is the desire of the Hydro faction that all members of the Chippawa commission of inquiry shall first declare that they are avowedly pledged to public ownership. Such an inquiry, it contends, would be worthless because the result would be a foregone conclusion.

* * * *

It IS NOT only that there is a constitutional barrier to the appointment of a board to fix the price of wheat but that the same objections exist to-day as they did when the constitutional safeguard against government interference in the affairs of individuals was provided. If a wheat pool is advisable as a benefit to Canada's farmers then it should be a voluntary co-operative organization in which responsibility for possible losses will be shouldered by those who will share the probable benefits. When a government undertakes to make up losses it is usually a foregone conclusion that there will be losses to make up.

* * * *

J. S. WOODSWORTH, M. P., asks that we explain that in his reference to Alberta miners receiving $12.00 per day that this is not an average but that $12.00 per day is paid "in some cases." He does not say what the average is. He admits, however, that most of the men "were working only two days a week." We are glad to have from Mr. Woodsworth his written statement, as the basis for our contention that when miners get $12.00 per day and work two days a week and the prairies get their coal from American mines in the East the situation is unsound. At $6.00 per day, we believe that coal could be produced at a price to encourage a consuming market which would assure work six days a week—at least the experiment would be worth trying.

Fifty Years Since Gzowski Built International Bridge

Canada Has Almost Forgotten One of the Most Interesting Characters in Its History of Pioneer Development

By J. GEORGE JOHNSTON.

When a pathmaster and town bell-ringer of the village of Bridgeburg managed to spell correctly only once in six years in his reports the name of "Gzowski street," the town fathers, forgetting the honor due the builder of the International bridge and benefactor of the community, up and changed the name to Central avenue.

It is still Central aveue, but in connection with the agitation to rebuild the International bridge with a vehicle way (which, it is declared along the border, would help meet Grand Trunk deficits) and the commemoration of the 50th anniversary of the opening of the structure, there has arisen among the older residents of the community a demand for re-naming Central avenue, Gzowski avenue.

Bridgeburg folk have made the belated discovery that Colonel Sir Casimir Stanislaus Gzowski was a great man and a great Canadian in his day and that, except for his genius the town of Bridgeburg might not now be in existence.

Sir Casimir was the biggest figure in making Bridgeburg the biggest port of entry and export between Canada and the United States. He performed a feat that relegated the picturesque car-ferries which, up to 50 years ago, plied the swift waters of the Niagara river between Old Fort Erie and Buffalo.

Sir Casimir was the chief engineer of the International (Grand Trunk) bridge between Buffalo and the Canadian shore, which was opened for traffic in 1872. It was, and still is, a single-track structure with no provision for carriages, as was stipulated in the charter granted by parliament. Originally it was intended that horse-drawn vehicles be permitted to use the bridge when no trains were crossing but the rail traffic grew so rapidly after the opening of the bridge that the widely-spaced ties never were planked. In 1901, when the old steel-superstructure became too weak for modern locomotives, the single foot-path was taken away.

The work of Sir Casimir is standing the test of time. Despite a current from six to eleven miles an hour in the center of the stream, and spring pushes of ice that cause the laying up of the Fort Erie ferry sometimes for days, the original piers, stone masonry, are still standing. They probably carry several times the weight for which they were designed.

A Great Engineering Feat

Eminent authorities of the day testified that the difficult task of placing the piers in the swift current made it one of the greatest engineering works on this continent. All credit went to Sir Casimir Gzowski.

Of course, it would not be such a feat to place those piers to-day. Much has been learned about bridge-building in the last half century. Steel cofferdams were not then in use and the machinery and methods that have been developed were almost insurmountable obstacles then.

Sir Casimir was almost discouraged at one time. He had been striving to get a wooden cofferdam 75 feet from the Canadian shore to stay in place long enough for the masons to lay the under-water stone. Two cofferdams were smashed and carried away.

A third "bottomless tub" went the way of the other two after it had been in place two or three weekse. It carried a section of masonry downstream with it. Eventually, however, a means of securely anchoring the temporary structures was found, they were made comparatively watertight and the work of building the piers went on quickly.

The experience gained in building the first pier was used to advantage in those farther out in the stream and, despite the swifter current, there were no mishaps. The bridge was completed at a total cost of $1,500,000. The present superstructure was placed on the old piers in 1901.

While the bridge-building feat no longer would be looked on as remarkable, the story of Sir Casimir's life still remains interesting and even more so because there are few Canadians who know very much about him. He played a big part in the material development of the country in the days when Sir John Macdonald and the other fathers of the confederation were advancing the two Canadas politically. Sir Casimir to name just one other of his engineering works, built the old Great Western railway line from Toronto to Sarnia, thereby opening a great section of Upper Canada to real development. About this time, moreover, he brought about the organization of the Canadian militia along lines which prevailed up to the time of the last war. He got his military title out of that and the appointment as permanent aide-de-camp to Queen Victoria.

These were unique, though deserved, distinctions to be conferred on a man who had been born a Pole, educated for the Russian imperial army, exiled to the United States, practised law in New England and Pennsylvania, built bridges and railways and organized militia in Canada and who died, a financial man, in Toronto, in 1898.

Sir Casimir was born in St. Petersburg (now Petrograd), Russia, on March 5, 1813. His father was a Polish officer in the imperial guard and intended that his son should follow in his footsteps. At the tender age of nine, young Gzowski was sent to a military school, from which, when sixteen, he was graduated as a lieutenant. He served for only a little time under the czar, however, joining his compatriots in the revolution in Poland which resulted in so many being exiled from their native land.

Arrived in the United States, young Gzowski set about learning the English language and to the study of law. He was admitted to bar in Massachusetts but soon moved to Pennsylvania. There, in order to practise in the federal courts, he took the oath of allegiance to the United States.

Gzowski Comes to Canada

But he was not satisfied with the life of a lawyer. He brought his New England wife to Toronto and soon discovered that his training in mathematics and military technique would be useful in building a new country. By 1842 he was recognized as perhaps the foremost engineer in Canada. The Great Western railway and the International bridge were only two of the important projects he guided both as construction engineer and as contractor.

Yet this remarkable Canadian has been almost forgotten, perhaps because, although repeatedly urged, he never would consent to seek political office. The only official appointment outside the militia, to which he ever submitted was the first chairmanship of the Queen Victoria Niagara Falls Park commission.

Poland—at least the new Polish republic—is not forgetting the distinguished sons of that unhappy land. The writer recently learned that the Polish vice-consul at Buffalo has been instructed by his government to gather data for a biography of Sir Casimir. If such a work ever is published, it should not be too much to hope that it will find its way into English and into the public librairies of the Dominion.

PERSONALS

S. P. ARMSTRONG, manager of the agency department of the London Guarantee and Accident Co., Ltd., at its Canadian Head Office in Toronto, has been transferred to the company's Winnipeg branch, where he will assist the provincial manager. Julian Stanley, of the Toronto staff, succeeds Mr. Armstrong as manager of the agency department.

ERNEST R. DECARY, M. P., who has been elected to the board of directors of the Banque Nationale is a member of the firm of Decary, Barlow and Joron, of Montreal. Mr. Decary was born in Montreal in 1877 and was educated at Laval University. In April, 1918, he was appointed chairman of the Montreal administrative commission; he is vice-president and general manager of the Title Guarantee and Trust Corporation of Canada and is a director of the Detroit United Railways.

R. G. MUIRHEAD, lately acting manager of the agency of the Royal Bank of Canada in Paris, France, has gone to Havana to take over the management of the Trust Company of Cuba, which is controlled by interests closely allied with the Royal Bank. Before going to Paris last year to become joint manager of the Agency of the Royal Bank there Mr. Muirhead was associated with the Royal Securities Corporation. Previous to going overseas during the war he was connected with the firms of E. B. McCurdy & Co., and G. W. Farrell & Co., of Montreal.

FREDERICK J. STEWART, a member of the Toronto Stock Exchange for 25 years and a prominent broker of Toronto, died on April 22. Mr. Stewart was born in Toronto in 1846 and was educated at the Toronto Academy and the Model School. He began business as a tea broker and later became a stock broker and a member of the Exchange. He was a member of the Anglican Church and was a councillor of Wycliffe College. Mr. Stewart was also a director of the Victoria Industral School and the Home for Incurable Children.

GORDON R. BONGARD, who recently became a member of the brokerage firm of Bongard & Company, Toronto, will act for his firm on the floor of the Toronto Stock Exchange. Mr. Bongard is a graduate of the Royal Military College, Kingston, and saw service overseas being attached to General Gough's division in the artillery, during the spring drive of 1918. At this time he was gassed and blinded for a period of three or four months and was invalided home. Later he entered the School of Science at the University of Toronto, where he has just completed a course in chemical engineering.

JOHN PITBLADO, head of the brokerage house of J. Pitblado & Company of Montreal has been elected to the position of president of the Montreal Curling Club, which enjoys the distinction of being the oldest sporting organization in America. Mr. Pitblado had formerly served as vice-president, and previous to that as treasurer of this Club for three years. Another interesting feature in connection with the Montreal Curling Club is that its first president was Thomas Blackwood who fifteen years later became the first president of the Montreal Board of Trade, just one hundred years ago. The Montreal Curling Club, therefore, can look upon a history of one hundred and fifteen years. Mr. Pitblado has also been vice-president of the Senneville Country Club and is a member of the Royal Montreal Golf Club.

CHARLES G. GREENSHIELDS, K. C., who played a prominent part in the recent changes brought into effect in connection with Quebec Railway, Light, Heat and Power Company, including the placing of the stock on no-par value basis, is becoming a prominent figure in the street in connection with a number of companies. Last week he succeeded his father, J. N. Greenshields, K. C., on the board of directors of the National Brick Co. Mr. Greenshields is also director of the Brompton Pulp & Paper Co., Quebec Railway, Light, Heat & Power Co., Quebec Savings and Trust Co., the Travelers' Life Assurance Company of Canada, and the Shale Brick Company of Canada. Mr. Greenshields, who is a member of the law firm of Greenshields, Greenshields and Languedoc, of Montreal, has been giving special attention to company law for some time past and in the negotiations last year in connection with the Marconi Wireless Company of Canada he spent some time in England.

Coupe

SPECIAL CUSTOM-BUILT BODIES

State chassis you have and type of body you wish—sedan, coupe, limousine, town car, touring, sport roadster, etc., Bodies built in exclusive design to your ideas if desired.
You require a closed body for next fall and winter driving, consequently place your order now for delivery next September and later, as we require from three to four months to build same.

ADDRESS DEPT. F.
CARRIAGE FACTORIES Ltd
ORILLIA - CANADA
We build Taxi Cab Bodies to order

Sedan

Automobiles
ROLLS-ROYCE
(English Built)

Sales Representatives for
Toronto District

G. E. Gooderham & Co.
97-105 Richmond Street West
Toronto Ad. 6780

Union Trust Company Limited
TRUSTEES, EXECUTORS
4% Interest on Deposits
Winnipeg TORONTO London, Eng

THE STERLING TRUSTS CORPORATION CANADA

DIRECTORS

W. H. Wardrope, K. C. President.
A. W. Briggs, K. C.
F. Barry Hayes Vice Presidents.
Norman Somerville, K. C.
J. W. Scott
J. C. Elliott
John Hallam
Nicol Jeffrey, K. C.
Lorne Johnson
W. A. Boys, K. C., M. P.
Charles Bauckham Managing Director.
L. H. Coombes Secretary.
J. H. Montgomery Manager Real Estate Department.
Lorne Johnson Manager Regina Branch.

THE STERLING TRUSTS CORPORATION
10-12 King St. East, TORONTO

VICTORY BONDS

ALL MATURITIES
IN BLOCKS OR SMALL AMOUNTS
BOUGHT AND SOLD

Our Victory Loan Departments and various Offices are prepared to give investors prompt service.

A. E. AMES & CO.

Investment Securities

UNION BANK BLDG. . . . TORONTO
TRANSPORTATION BLDG. MONTREAL
74 BROADWAY . . . . . NEW YORK
HARRIS TRUST BLDG. . . CHICAGO
BELMONT HOUSE . . VICTORIA, B.C.

Established 1889

Members Toronto and Montreal Stock Exchanges

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct,

INCOME TAX

Enquirer.—Should income taxpayers pay municipal taxes on their total income or on the income after national taxes are deducted? For example, a person with $10,000 a year income pays, say $500—this is not absolutely correct—Federal taxes which leaves him net $9,500. Should he pay his municipal taxes on the $10,000 or on the $9,500?

The total annual amount must be shown on both statements. No exemptions are allowed for taxes paid; $10,000 would be the basis for taxation in both cases mentioned, less ordinary exemptions.

KING EDWARD HOTEL

Enquirer, Richard.—I would be greatly obliged if you would give me your opinion on the following: Do the King Edward Hotel second mortgage and common shares rank ahead of the King Edward Construction Company? Are the King Edward Construction common shares well protected and a reasonable speculation?

King Edward Hotel second mortgage of 7's (due 1933) are ranked somewhat ahead of King Edward Construction Company. The hotel company has paid dividends regularly on its bonds, and the common stock paid $5.00 every half year. The King Edward Construction Company owns the new wing of the hotel, which it has leased for a period of years at a rental basis sufficient to cover regular dividends.

CAPE BRETON ELECTRIC

G. A., Saskatoon—I would be glad if you would give me your opinion in your columns of the Cape Breton Electric Company 5 per cent. first mortgage gold bonds, principal due 1932, payable in Boston.

The bonds of Cape Breton Electric are ranked as good investments but there is not by any means an active market for them. In Boston where they are payable the nominal market is between 70 and 80 and if you can buy them somewhere between these figures and are ready to hold them they would be a good buy.

A SCHOOL BOND ISSUE

J. E., Hamilton.—A Trustee Board in issuing debentures for school purposes in a rural section with an assessment of $600,000, what term of years would you make them, twenty, twenty-five or thirty and what interest would it be advisable for them to bear? The amount required is $40,000. The only debt against the section is $9,000 which is also a school debt. The section is what might be termed "urban" and the present school rate is 15 mills on a low assessment. How do you decide what interest is best to place on a debenture issue like this?

It is usual to issue thirty year debentures for schools in Ontario as this is the limit set by statute for such bonds. If, however, the life of the school to be erected will be less than thirty years the bonds should be for a shorter term—say twenty or twenty-five years. At the present time the interest rate should be set at 5½ per cent. In determining the interest rate it is always wise to make the coupon rate conform as closely as possible to the prevailing yields on similar bonds in order that on the one hand the municipality may not have to accept a large discount on its issue and on the other hand investors will not be called upon to pay a premium. As the bonds might be sold to investors at between 5½ and 5.75 per cent. the 5½ per cent. coupon would be the best. Instalment debentures should be issued as they are in the long run cheaper than straight term bonds.

MERCHANTS CASUALTY

Subscriber, Copper Cliff.—Would like your opinion as to whether you would consider the stock of the Merchants Casualty a good buy for a small amount.

The Merchants Casualty Company, because of large increase in business has been seeking new capital to build up its premium reserve and surplus. It is planned to write three new lines of business—burglary, fire and plate glass—this year. It is the intention of the company to place $75 of each share sold to the credit of the capital account and the balance to the surplus. In our opinion the stock must as yet be considered as somewhat speculative, at least until the company is firmly established.

MOUNT ROYAL HOTEL

A. M., Ottawa—Would be obliged if you would give me your opinion on Mount Royal Hotel 8 per cent. convertible debentures. I have heard that a further issue would be required to complete the hotel.

Our information is that there will not be any need of a further debenture issue to raise money. Reports of progress indicate that through reductions in building costs there will be some $700,000 less expended in this way than was estimated. On the other hand, however, furnishings are expected to cost somewhat more than was expected. In any event we are assured that there should be sufficient capital to complete the undertaking and leave working funds when the hotel is opened.

The success of the project depends of course, upon public patronage. The project has been very carefully considered and under the administration of the United Hotels Company efficient management is assured.

CANADIAN GENERAL ELECTRIC

Francis, Sask.—Would be glad to have your opinion on Canadian General Electric stock as an investment.

Canadian General Electric common is hardly in the same desirable position as it was before the recent issue of bonds as now it ranks as a junior security where before it had first claim on earnings. However this, after all, merely disposes of bank obligations on which interest had to be paid. The company has an excellent business and good earning power and the common stock we would regard as an attractive business man's investment. It will require a resumption of commercial and municipal construction to put the company's earning power on a really satisfactory basis but in the meantime the company is developing a profitable business in the manufacture of radio equipment through its subsidiaries.

MACKAY COMPANIES

Reader, Stellarton—What is your opinion of Mackay common as a good speculative buy?

The Mackay Companies is a voluntary association owning the entire $25,000,000 capital stock of the Commercial Cable Company and the whole or a portion of the capital stock of a number of telegraph and cable companies in the United States, Canada, and Europe, including the land line systems known as the Postal Telegraph Company. It is the largest organization of its kind in the world with connections reaching to all parts of the globe. The financial statements submitted contain very little information other than indicated in receipts of sufficient funds to pay the preferred dividend of 4 per cent. and a common dividend of 6 per cent. From the outbreak of the war the annual surplus indicated an improvement and ran from $100,000 to $150,000 a year until 1917 when it jumped to $550,000; in 1918 it declined to $50,000 a year and was the same in 1919 but in 1921 increased to $100,000. No doubt more settled commercial conditions have now removed any fear that the dividend might be impaired by Government interference or decline in business. From the speculative standpoint it might be noted that the price has increased from the first of the year from 76 to 90. This would seem to be a reflection of confidence in the dividend and an adjustment of investment values on the basis of return. The common stock looks like an assured dividend payer at 6 per cent. but of course the yield at present levels is not so attractive as a few months ago.

Telephones, Tramways, Gas and Electric Light Securities

Investors are turning to Public Utility securities because the income yield (from 6½% to 7½%) is far above the average Municipal Bond, and the security is of the highest class.

Write for our List of Offerings.

Royal Securities CORPORATION LIMITED
MONTREAL
Toronto Halifax St. John Winnipeg
Vancouver New York London, Eng.

Too Much Wasted on Federal Administration In Canada

Griffin-Hagen Report Recommended Some Drastic Adjustments Which Would Have Saved Money for the Taxpayers of the Nation

By Agnes C. Laut

Besides cutting off superfluous expenses to the amount of about five million a year saved to Canada, more could have been saved if the Griffen-Hagen examiners had been permitted to go on and if the recommendations had been followed—one of the most valuable sections of their report is the careful analysis of the functioning of the Canadian Government Executive, which has grown up by gradual accretions since Confederation. It is shown Canadian affairs are or have been administered under fifteen cabinet officers, two without portfolio. There are besides forty-three permanent boards and commissions, eight temporary boards and commissions. Many of the latter had to be created during the war and could to-day be doubled up, or abolished. Of functioning government offices for permanent affairs, there are twenty-five departments with, during the war, 65,000 civil servants. If Uncle Sam could cut off 27,000 of his 200,000 or more civil service, it might be inferred Canada could also cut off an eighth after the war; but it was largely on this snag that the Griffen-Hagens came to grief. That is, Canada has one civil servant for every 130 of population. Uncle Sam has one for every 525.

The comparison is hardly a fair one in point of numbers; for Canada's area is larger than Uncle Sam's; and a sparse area requires as good police protection—say in Indian Reserves and lonely settlements—as a thickly populated area. In fact, having long frontiers, Canada may require more; but the Griffen-Hagen Report pointed out it was not in these areas that Canada is over-officered, but rather in the thickly populated centres such as the Eastern cities, where political patronage semed to dictate that the job must exist for the man, rather than the man for the job. I forget in which department it was—printing, or a subbdivision of the Post Office—the Griffen-Hagens pointed out that it would literally have paid the government in efficiency and cash outlay to lay off the old in service and the unfit for service, and to have pensioned them for life, rather than retain in full pay and then pay other men to do their jobs. I am aware this is not a recommendation popular to civil servants, among whom I have hosts of friends; but I am setting down what the Griffen-Hagens recommended, bearing in mind as we all have to—that Canada is to-day paying the last limit she can in taxation, either direct on income, or indirect on tariff and sales.

Results of Heavy Taxes

For instance, when I was in a certain coal area in British Columbia last June, they had just closed a mine throwing 800 people out of work. If you put the unit family at five, that meant that 4,000 people would have to look for support elsewhere. When I asked the manager of the mine why the close-down, he said frankly when they had to pay taxes, they had nothing left for profits; and the mine had reached the place, where they couldn't go on without development—the coal was friable and needed storage and quick transportation to users—and they couldn't spend another cent on development because they couldn't get capital either big or little, without a certainty of at least small and sure dividends. This was not a mine owned by what is called "big" capital. It was owned by local men, who had to borrow outside; and taxation had strangled development and thrown 4,000 people out of support.

I mention this to show the close connection between taxation and economy on civil service expenditures. If you examine the Soldier Settlement Board and Dominion Lands, you will find places where the work overlaps and the Soldier Settlement Board on the spot in the West could do the work of the Dominion Lands, where the Dominion Lands could not do the work of the Soldier Settlement Board.

Of the 65,000 civil servants in Canada, you will find the departments necessarily employing the biggest forces are the Post Office with 22,732, Agriculture with 1,847, the Customs over 4,000, Finance over 1,600, Immigration and Indian over 1,600, Interior 2,500, Marine 6,000, Public Works over 5,000, Railways and Canals almost 2,000 not including the rail union employees, Soldier Re-establishment 5,840, Foreign Affairs over 100.

Of the various Boards and Commissions, the Air Board numbers over 180, Grain over 500, Pension over 800, Soldier Settlement, 1,197.

Importance of Immigration

When you come to the Griffen-Hagen recommendations for re-organization, they are not so good. In theory, yes; but in practice, no. For instance, to co-ordinate and centralize, they would place all Canada's administration under ten to twelve departments. The concentrating of authority and condensing of expense is good; but in some cases, the re-organization would impair effective work. It is well to group Militia, Air Board, Navy and Radio; for Canada's very future depends on unlocking and developing natural resources, but when immigration and soldier settlement are re-grouped under a general welfare department, the tail would be wagging the dog.

Immigration is one of the very biggest problems ahead of Canada; and to subordinate it under welfare is a joke. We can have no welfare, nor much more agricultural output, nor the opening of natural resources, nor the lessening of taxation, nor the reduction of freights without hugely increased immigration. It is one of the places, where penny wise is pound foolish. The Griffen-Hagens probably had in mind the fact that almost 70,000,000 people poured into the United States for sixty years without a department of Immigration; but that was before the complex of centralized industry and centralized transportation put the essential producer in his present dilemma. The problem to-day is not to get the immigrant. It is to turn him into a permanent prosperous colonist. Solve that; and you have put Canada back on a solid bedrock of prosperity. Solve that; and you have solved every other problem Canada has to solve to-day.

But there is one great defect of the Griffen-Hagen recommendation. They could answer their aim was to cut and retrench; not to set forth Canada's future national policy; and in that respect, their recommendation can't be refuted.

How Fletcher Made Castoria Famous

Charles H. Fletcher, president of the Centaur Company, New York and well-known throughout the world for his Castoria, died recently at Orange, N.J., at the age of 84 years.

Mr. Fletcher was without doubt the one man who had spent more years in the active placing of advertising than any of his predecessors or contemporaries, and stands out boldly in advertising history

The story of Castoria and its creator reads like a real romance.

As a young man, Mr. Fletcher entered the employ of Demas Barnes, then the largest wholesaler of drugs and ready-made medicines in this country, and from a small beginning became a traveling salesman. It was while occupied in this capacity that he heard of a prescription for infants and children that was very popular in the neighborhood of the doctor, Charles H. Fletcher who also owned a drug store and prepared it in a small way for the local trade. This doctor and druggist was Samuel Pitcher and the prescription was know as "A Substitute for Castor Oil." Mr. Fletcher, with his knowledge of the drug business, believed that this preparation had a future and succeeded in buying it in 1872.

Its name at that time was clumsy, too long, not an advertising asset. To advertise it was his one thought. But the name; that was the question. What will it be called? It was discussed with his business associates, his friends, his wife. And let it go down in history that that faithful, loving wife suggested the word Castoria with much hesitation and deference. It appealed to Mr. Fletcher, to his friends, and Castoria was started on its way to fame.

On its way to fame, yes, but only through long and tedious struggles to acquaint the people with its merits. His savings of years were soon eaten up in advertising, borrowed capital went the same way, but those who knew his square jaw, his firm lips, his keen eye and the nose that could scent success from afar knew he would win and the needed money was provided. The face more often than the clothes proclaims the man.

It was Demas Barnes, his old employer, the man who knew his sterling worth who said, "Go to it, Charlie, I'll back you."

And Charlie did "go to it." Back on the road to sell with his personality, to pick his papers for advertising. Things were moving fine now.

Then bing! Along came the panic in 1893 known to everybody. There was no money. Hundreds of thousands of dollars due for goods delivered. Banks issuing certificates in limited quantities Just how it was done, perhaps no one will ever know, yet with that indomitable spirit all advertising bills were paid promptly. And he started from the sub-subcellar to build up again.

But what a time! Hardly had he got above the first floor in his building when the question of his right to the trade mark "Castoria" threw him into the courts. A name that his wife had picked from her brain was to be taken from Mr. Fletcher because his advertising had made it a household word. One judge couldn't understand how you could buy Castoria if you didn't ask for Castoria, therefore Castoria must be generic and not subject to copyright.

Mr. Fletcher with his advertising created the word, believed it to be his own, and with his undaunted spirit spent hundreds of thousands again, just to feature his signature that had been appearing on the wrapper. His foresight was rewarded by increased sales, just as though the public appreciating the difficulties that had beset his steps rallied to his support to make a life of struggle, such as his, well worthy of emulation.

Well Secured Bonds for Investment

Yielding 6% to 8%

We buy, in whole or in part, issues of securities for the financing of corporations, municipalities and provinces.

Write for Investment List

Greenshields & Co.
INVESTMENT BANKERS
Montreal: 17 St. John Street
Toronto, 14 King Street East
Ottawa, Central Chambers

Plan Now to Reinvest

Those who collect Victory Bond interest on May 1st will again realize the advantages of purchasing securities of this type. Their principal is safe and interest will be promptly paid and easily collected.

The soundest course these Victory Bond owners can pursue is to reinvest this interest in further sound securities. To assure that this is promptly done, we suggest that you plan now to apply your coupons toward a further purchase

Write for our list of offerings.

Wood, Gundy & Co.
Montreal 36 King St. West New York
Winnipeg Toronto London, Eng

We own and offer new issue, The Bell Telephone Company of Canada, capital stock which has paid 8% dividends for 36 consecutive years.

It carries our recommendation.

Price at market to yield about 7.50%.

Write for particulars

Æmilius Jarvis & Co.
Established 1891 *LIMITED*
Ottawa 103 Bay St. Montreal
New York Toronto London Eng.

We are a market for

Winnipeg Electric Railway Co. 5's, Jan. 1, 1935
Montreal Light, Heat & Power Co. 4½'s, Jan. 1, 1932
Dominion Power & Transmission Co. 5's, April 1, 1923 to 1932
Hamilton Electric Light & Cataract Power Co. 5's, Oct. 1, 1929
Hamilton Cataract Power, Light & Traction Co. 5's, Apr. 1, 1943

HARRIS, FORBES & COMPANY
LIMITED

C.P.R. Building
TORONTO

21 St. John Street
MONTREAL

OTIS & CO.

Government, Municipal and Corporation
Investment Securities

Members of the New York, Chicago, Boston,
Cleveland and other leading Stock Exchanges

New York Boston Cleveland
Detroit Denver

United Financial Corporation
Limited
DIRECTORS:

SIR CHARLES GORDON .... President
A. J. BROWN, K.C. .... Vice-President
CHARLES F. BATCHELDER .... Vice-President
MAJOR H. B. MacDOUGALL .... Vice-President

ROBERT ADAIR
W. A. BLACK
GEORGE CHAHOON, JR.
A. E. HOLT
SIR HERBERT HOLT
C. R. HOSMER
WM. McMASTER
CHARLES MEREDITH
F. W. MOLSON
HON SMEATON WHITE

A. P. B. WILLIAMS, Secretary-Treasurer.
Information regarding securities gladly furnished.
Correspondence invited.

Head Office: 112 St. James St., Montreal
TORONTO OTTAWA LONDON, Eng.

HB
FOUNDED 1883

We recommend

Tooke Bros., Limited

7% Twenty Year First Mortgage Bonds

Tooke Bros., Limited are the largest manufacturers in Canada of Shirts, collars, pyjamas, underwear, etc. From a small beginning in 1870 they have grown to their present day proportions through a combination of sound financing, quality production and capable business management.

Bonds are a direct first mortgage on the Company's assets. The security of the issue is apparent when it is remembered that the real estate value of the company's city property is twice and total net assets over four times amount of Bond issue.

Net earnings for past six years were nearly six times Bond interest requirements.

Bonds are available in denominations of $100, $500, $1000 and are offered at

97½ and Interest Yielding 7¼%

Because the issue is now almost entirely absorbed we advise immediate actic if you wish to avail yourself of this opportunity.

May we send you detailed information and descriptive circular.

HANSON BROS.

160 St James St.
MONTREAL

INVESTMENT SECURITIES

63 Sparks St.
OTTAWA

THE
NATIONAL CITY COMPANY
Limited

Bonds & Investment Securities

Canadian Headquarters:
74 Notre Dame Street West, Montreal

10 King Street East
Toronto, Ont.

McCurdy Building
Halifax, N.S.

71

THE NATIONAL CITY COMPANY
NATIONAL CITY BANK BUILDING
NEW YORK

SIMONS, AGNEW & CO.

Stock Brokers

Members Standard Stock Exchange
304 McKinnon Bldg. Toronto

We solicit your business for cash or on a conservative marginal basis.

NEWS OF THE BOND MARKET

FIELDING MADE A GOOD DEAL IS GENERAL OPINION

Likely Still to be Domestic Loan in the Fall

Hon. W. S. Fielding, being an old newspaper man can keep a secret. At noon on Monday of this week, there was a meeting of Montreal bond men at the Ritz Carlton, considering plans for a domestic loan of $100,000,000 to $200,000,000, of twenty-five year maturity, to give a yield of between 5¼ and 5½ per cent., with not the slighest suspicion that the Minister of Finance was then having the finishing touches put to his grand coup of the year in finance, a $100,000,000 loan in New York on a five per cent. basis. Indeed it was probably Friday last before the arrangement was decided upon between Ottawa and New York, following a meeting in Montreal on Thursday last, between Mr. Fielding and representatives of J. P. Morgan & Co.

The favorable price secured in the United States was a surprise to bond men here. At the price announced from Ottawa of 97½ net the cost was a shade over 5⅛ per cent., as compared with a 5½ or at best 5¼ per cent. if placed in Canada. Taking the difference on a rough basis of return to the Dominion, the New York loan would produce about $97,500,000. One favored suggestion for a Canadian loan was at 93½ (bearing five per cent.) to give a yield of 5½ per cent. for a twenty-five year bond. Allowing for the contemplated margin of 1¼ for those who handled the loan, and another ½ per cent. for the expenses to the Government of publicity, etc., the net return would have been about 91¾, giving a yield in money of $91,750,000 as compared with $97,500,000 for the New York loan, a gain of close to $6,000,000. Of course, the Canadian loan would be taxable while the New York is exempt, but even this would make little deduction in the six millions or so gain.

Made A Good Bargain

The feeling is general that Mr. Fielding made a good move when he sold this issue in New York at such a favorble rate. The sale was not altogether a surprise to those who have been studying the bond market recently. In fact in these columns it has been forecast two or three times that Mr. Fielding would sell $100,000,000 of bonds in New York before the spring was over and bring out a domestic loan in the fall to cover his maturities. The domestic loan is off for two or three months yet at least, as the American market must be protected until this present issue is entirely "digested" by the investing public but there is still a distinct probability that Canada will have a domestic loan in the fall. As things are tending now it seems certain that it can be floated successfully although the bond men have decided among themselves that they will only handle it on an underwriting basis—as in 1915 and 1916—and that the yield must be quite substantial with a good term.

The loan this week consisted of $100,000,000 of 5 per cent. thirty year bonds, with a provision that they may be called at the end of twenty years. They were offered at par by a syndicate consisting of J. P. Morgan and Co., the Bank of Montreal, Brown Brothers, Harris, Forbes and Co., the First National Bank of New York, the National City Company, the Guaranty Company of New York, Lee, Higginson and Co., the Bankers' Trust Company, Kidder, Peabody and Co., and Dillon, Read and Co.

The issue was almost immediately oversubscribed to such an extent that allotments to subscribers worked out at about 50 per cent.

Maturity of $350,000,000

The total obligations that are to be redeemed during the present year amount to $349,295,500. Of this the chief item is the refunding of the 1922 Victory Loan, of $182,835,500 due on the first of December. This loan has been reduced from the amount that was subscribed and outstanding in 1917 when the issue was offered to the public.

The remainder of the indebtedness consists of four issues of treasury bills held by the banks: one of $24,605,000 due October 1; another of $49,215,000 due October 15; and a third of $35,000,000 due November 2, and a fourth of a similar amount due on November 15th and school lands debenture stocks to a total of $22,640,000.

C.P.R. IN THE LEAD

MONTREAL.—The perpetual debenture issue of 4 per cent. of the Canadian Pacific Railway Co., which was floated in New York late last year at the hitherto record low yield of 5.15 per cent., is showing a still higher price, and lower yield. The issue price at the time, and that of the $2,000,000 additional that were floated early this year, was 78. This advanced this week to a price of 81, which represents a yield now of under five per cent., being 4,94. This still holds a record for a railway bond in New York.

$1,250,000 ISSUE OF NOVA SCOTIA TRAMS

Offered at 97½ to Yield 7.20 Per Cent.—Are General Mortgage Bonds

From Our Own Correspondent

MONTREAL.—A new bond issue has been placed in the market this week—one of $1,250,000 in connection with Nova Scotia Tramways Power Company. This took the form of 7 per cent. general mortgage thirty year gold bonds, dated April 1, 1922 and maturing April 1, 1952. This has been underwritten by the Royal Securities Corporation and is offered at 97½ and accrued to yield 7.20 per cent. The purpose of the issue is to refund $1,000,000 of 7 per cent. notes due June 1 of this year, and also for extensions to the plant and equipment made necessary by the growth of the company's business. This bond issue has a claim on the company's property after the first mortgage issue of $2,250,000 at 5 per cent., due December 1, 1946. Provision is made for the issue of a further $2,250,000 of general mortgage bonds to refund the first mortgage issue at or before maturity. An annual sinking fund of 1 per cent. is provided for the new issue which would retire about $1,000,000 of this by maturity.

Victory Loan Interest $35,000,000 in May

Victory loan interest payments due on May 1 total close to $35,000,000. Interest is due on 1923, 1933, 1924, and 1934 bonds.

The figures for the several issues are as follows:

Issue	Interest
1923	$5,359,249
1933	13,284,733
1924	2,895,460
1934	13,247,899

Elsewhere in this issue a complete table of dividend and interest payments due in May is published.

A Big Bond Issue from Quebec Catholic Schools

From Our Own Correspondent

MONTREAL.—An issue of $850,000 of 20 year bonds bearing 5½ per cent. were sold by the Quebec Catholic School Board to a syndicate composed of the Canadian and Foreign Securities Corporation and Wood, Gundy and Co., at a price of 99.08. The other prices submitted were as follows:

Rene T. Leclerc & Geo Beausoleil	99.065
Syndicate composed of Municipal Debenture Corp., Versailles, Vidricaire & Boulais, L. G Beaubien & Co. and Provincial Securities Corp.	98.76
United Financial Corp.	98.317
Ames & Co., National City Co.	97.557
Dominion Securities	97.53
McLeod, Young, Weir & Co., and Credit Anglo-Francais	97.24

New Westminster Bonds to Portland Trust Co.

From Our Own Correspondent

VANCOUVER.—New Westminster today sold $200,000, thirty year six per cent. waterworks debentures to Lumbermen's Trust Company of Portland at ninety eight, American funds. Other tenders all which were in Canadian funds were as follows:

Blythe, Witter & Co., Seattle	98.05
Westminster Trust Co.	96.875
Royal Finance Corp.	94.694
British Amer. Bond Corp.	94.13
Canadian Bond Co.	93.25

A New York Herald London copyright says British government will spend $15,000,000 to assist emigration to colonies.

Eastern Pennsylvania foundry iron advances another $1 to $22 a ton, as most makers withdraw from market.

INDUSTRIAL BOND ISSUES OCCUPY CENTRE OF STAGE

More Than a Dozen Offerings Recently Receive Good Welcome

Industrial borrowing has been of considerable amount during the past few weeks. There have been a dozen or more substantial sized bond issues of Canadian companies and all of them have had a fair reception in the investment market.

There have been several reasons for the large amount of borrowing. Of course the real reason why the borrowing has come at the present time is that the bond prices have risen so high that investment bankers have not been able to offer government and municipal bonds to give substantial yields that people have become accustomed to in the past two years or so. And looking around they found industries wanting money. Investors clamored for higher yields and the industrial bonds supplied the need.

That is why the issues are coming out now but the purposes for which the money is being used are varied. In several cases it is to pay off bank loans. Many companies that had been making good profits and spending heavily on plant extensions and other capital matters, found themselves short of working capital. They had to borrow from the banks and while the banks have a surfeit of capital now they are taking the sane view that current loans can be cut still further and have been pressing for repayment of loans. Bond issues were the logical procedure for raising the money to pay off the bank.

Other Reasons for Issues

There have been bond issues too to provide working capital that had not necessarily been diverted to capital purposes. Declining prices, a period of overhead minus profits had eaten into the reserves of many companies and they have had to get the working capital by a bond issue. Of course such an issue is not as attractive as one that is actually putting back into the treasury money that had been put into plant but where concerns are sound and have a future ahead such bonds are all right.

There are some bond issues now on the market that are really hopeful signs in the business outlook. They are of industrial companies seeking capital for plant expansion, for the promotion of larger markets and development of business generally. They are chiefly concerns that held tight to a cautious policy of sane economic reasoning during the boom period of two or three years ago and which did not sell sheaves of preferred shares when all one needed to raise capital was a smiling front and a big idea. Parodying the motto of the Chicago Tribune, "1921 will reward fighters," one business man has remarked, "1921 will reward those who didn't act like born fools in 1919." This trite remark is finding proof in the present situation.

Bond offerings have been readily snapped at, interest rates comparatively low of concerns that were left behind in the mad unreasoning rush before, but which now are able to present a good balance sheet and evidences of a good future.

It is a good time to buy industrial bonds if the buyer knows how to choose between companies and offerings. There are industrial bonds that have not as much inherent strength as such common stocks as Consumers Gas and Canadian Pacific and simply because they are labelled "first mortgage bonds" and offer enormous yields should not be bought unhesitatingly. Discretion is necessary in buying bonds just as in buying the junior types of securities but where discretion is used the investor can reap a harvest.

Chicago's 40,000 amalgamated clothing workers to form Amalgamated Bank and Trust Co., with $200,000 capital and $100,000 surplus.

BOND MOVEMENTS OF THE WEEK

Latest Price Week Ending Apr. 25.

BONDS—	Int. Rate.	Due. Year.	Yield.	Range High	1921. Low.	High.	Range 1922 Low.	Ask.	Bid.	High.	Low.
Asbestos	5	1942	6.54	100	73	100	76	—	82⅞	92½	81
Bell Telephone	5	1925	6.12	93½	81¼	96½	94	96½	93¾	96½	96
Can. Felt	6	1940	6.85	88	88	91	91	—	8	91	—
Can. Cons. Rubber	6	1946	6.47	90	84	95	88	—	94½	94	—
Calgary Power	5	1940	7.82	69	69	72¼	72¼	73¼	—	72¼	—
Cedar Rapids	5	1953	5.26	97	86	97½	94	—	95½	96	95¼
Dom. Iron	5	1929	6.80	83	75	89½	82½	90	89½	89½	89
Lyall Cons.	6	1932	9.10	86	63	79	75	—	75	77	—
Montreal, Sept. '23	6	1923	6.40	100	97¾	102	97½	—	99¼	99¼	—
Quebec Rly	5	1939	8.30	68	59	71	63½	70	68½	70	69
Rio	5	1935	7.72	84¼	73	85⅝	73	—	—	77	—
Sao Paulo	5	1929	7.62	82	70	85	80	85	84½	84½	84
Sher.-Williams	6	1941	6.12	98	96	98½	96	—	98½	98½	—
Span. River	6	1931	6.68	87	86¼	95	83¼	—	92	95	—
Steel of Can.	6	1940	6.17	98¼	88½	99	97	99½	98	98½	98
Wayagamack	6	1951	7.98	78¼	69½	79	71¾	77½	77¼	77½	77¼
Winnipeg Elec.	5	1927	7.02	92	92	90¼	89½	—	—	90¼	89½
War Loan (1925)	5	1925	5.48	96.00	92.00	98.50	96.10	98.30	98.20	98.30	97.65
Do., (1931)	5	1931	5.20	96.60	90.05	98.80	96.25	98.55	98.35	98.46	97.75
Do., (1937)	5	1937	4.91	102.50	94.50	101.50	99.50	.....	100.85	101.20	100.40
Victory (1922)	5½	1922	5.45	99.55	96.62	100.05	99.10	100.10	100.05	100.05	99.65
Do., (1923)	5½	1923	5.47	99.50	95.50	100.05	98.75	100.10	100.05	100.05	99.65
Do., (1924)	5½	1924	5.53	98.50	94.25	100.00	98.00	99.90	99.80	100.00	99.45
Do., (1927)	5½	1927	5.38	101.00	95.25	102.70	99.75	101.00	100.90	100.75	100.15
Do., (1933)	5½	1933	5.13	101.80	95.12	103.50	101.25	103.40	103.36	103.50	102,25
Do., (1934)	5½	1934	5.41	99.43	92.25	100.90	98.80	101.00	100.90	100.90	99.85
Do., (1937)	5½	1937	5.01	104.00	96.50	105.40	103.30	105.53	105.35	105.40	104.70

$2,000,000 of Bonds of East Kootenay Power Co.

From Our Own Correspondent

MONTREAL.—Announcement of an issue of $2,000,000 East Kootenay Power Co., 7 per cent. first mortgage sinking fund gold bonds at 97½ and accrued interest to give a yield of 7¼ per cent., is made by Nesbitt, Thomson & Co. The bonds carry with them a bonus of 2½ shares of no par value stock for each $1,000 bond. The East Kootenay Co. was formed to acquire the undertakings and the assets of the British Columbia and Alberta Power Co., which had begun providing light and power to several towns in the district as well as furnishing some coal mines. The total authorized issue of bonds is $5,000,000, the present series of $2,000,000 to be designated Series A. The capitalization consists of $100,000 8 per cent. preferred stock and 30,000 shares of common stock of no par value.

IN NEW QUARTERS

The firm of Ekers, Cushing & Co., members of the Montreal Stock Exchange, have purchased the Bennett Building at 103 Notre Dame West, Montreal, formerly occupied on the ground floor by Fairbanks, Gosselin & Co., and will ocupy this in the near future after extensive improvements have been made, providing them with a double entrance on Notre Dame Street. They were forced into new quarters as a result of being burned out in the fire that destroyed the Standard Building on St. James Street some months ago.

CANADIAN PAPERBOARD

Offcials of the Canadian Paperboard Company state that their three plants are now operating twenty-four hours a day at full capacity. Revival of buying in retail lines is given as the reason for the upward swing of their business as the company is the largest in Canada supplying paperboard for cartons and packages.

We Own and Offer

Wayagamack Pulp & Paper Co. Ltd.

6%
BONDS
Due 1 Feb. 1951
Price 77.50 and accrued interest
Yielding 8%

R. C. MATTHEWS & CO.
LIMITED
Bond Dealers
C. P. R. Bldg. - - Toronto

Victory Bonds
for
Safety
Assured Interest
Return and
Saleability

W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO
Telephone Adel. 3870
W. L. McKINNON, DEAN H. PETTES

We own and offer
$67,000
Township of Toronto
6% Bonds due 1st April, 1923, to April, 1941.

FINANCIAL STATEMENT
Assessed Value for Taxation $4,789,000
Net Debenture Debt. 188,900
Total Debt per Capita 32.24

Price on Application
ZIMMERMAN & MALLOCH
702 Bank of Hamilton Bldg.
HAMILTON, ONT.

Wayagamack Papers Wrap the World's Parcels

Practically every Manufaturer, Jobber and Retail Merchant in Canada is a customer of the Wayagamack Pulp & Paper Co., Limited. This company supplies over 60% of the entire Canadian consumption of wrapping paper, besides a vast export trade.

The 6% First Mortgage, Sinking Fund, Gold Bonds of the Wayagamack Pulp & Paper Co., Limited, due February 1st, 1951, may be had at 77½ and interest, yielding

8%

Write for descriptive circular. Orders and inquiries may be telegraphed or telephoned at our expense.

McLeod, Young, Weir & Co., Ltd.

23 Jordan St.
TORONTO

40 Hospital St.
MONTREAL

First Mortgage Bonds

With a bonus in common stock

Such an investment opportunity will be offered by us shortly redeemable and convertible sinking fund first mortgage gold bonds. The debentures are first lien on land, mills, machineries, patents of a large corporation being organized in Montreal, the direction of which is composed of men of outstanding prominence in the various spheres of business and finance.

The debentures will carry a substantial bonus in common stock.

Write for particulars.

Credit Canada Limitee
145 St. James St. - Montreal

Matthews Steamship Co. Has $300,000 Bond Issue

Goldman & Co., investment bankers, Toronto, have sold a $300,000 issue of 7 per cent. first mortgage 10-year serial bonds of the Mathews Steamship Co., Ltd. The proceeds of the issue will be used in the purchase of a 10,000 ton freighter to be added to the company's fleet. The Mathews Steamship Co. is one of the largest independent freight lines operating on Canadian inland waters.

MAISON RENE-T. LECLERC 1901

NEW ISSUE

WAYAGAMACK
PULP & PAPER COMPANY
LIMITED

6% FIRST MORTGAGE BONDS

Due February 1951

Price: 77.50 and interest—yielding 8%

RENE-T. LECLERC
INVESTMENT BANKER
MONTREAL 160, St. James Street
QUEBEC 74, St. Peter Street
(ESTABLISHED 1901)

OSLER & HAMMOND

Stock Brokers and Financial Agents
Members
Toronto Stock Exchange
Montreal Stock Exchange

21 JORDAN STREET - TORONTO

Government, Provincial and Municipal Bonds

Send for Offering.

EDWARD CRONYN & CO.
Members Toronto Stock Exchange
Cronyn Bldg., 71 Bay St., Toronto

8% Cumulative Preference Shares with 75% Bonus

We recommend the purchase of the 8% Cumulative Preference Shares, with a bonus of 75% in Common in the
BRIDGE RIVER TIMBER & MANUFACTURING CO.
LIMITED

PATRICK DONNELLY & COMPANY
189 St. James Street Phone Main 8720 Montreal

SEND FOR A COPY OF OUR BOOKLET—
"INVESTMENT SUGGESTIONS"

This little Brochure is published once each month. It contains a complete summary of the Bond Market and a list of attractive offerings. May issue is now ready. Send for a copy. No obligation.

MacKay & MacKay
GOVERNMENT & MUNICIPAL BONDS
C P R BUILDING TORONTO CAN.

A 15-Year Bond
Yielding Over
7½%

The marked easing of the money situation in recent months has forced an upward movement in the prices of Bonds.

Experienced investors are today availing themselves of the opportunity to purchase long-term Bonds yielding a substantial income.

We have no hesitation in recommending the First Mortgage Bonds of the Canadian Paperboard Company, Limited, at

95.50 and accrued interest,
yielding over 7½%.

The Bonds are amply secured by fixed assets of over two and one-half times the Bond indebtedness.

Net assets are more than three times the Bond issue.

Average earnings for the past four years have been equivalent to more than three times the interest requirements on this issue.

Write for full particulars.

Canadian Debentures
Corporation Limited
Established 1910
36 KING ST · EAST TORONTO

CIVIC AND PROVINCIAL FINANCE

QUEBEC IS ONLY PROVINCE WHICH CUT EXPENDITURE

Comparisons Published by Citizens Research Institute of Canada

Quebec is the only province in Canada which did not increase its per capita expenditure in 1920 over that of 1919. British Columbia had the greatest per capita increase with $11.02 while the decrease in the case of Quebec was 18 cents. The average increase per capita of provincial expenditures throughout Canada was $2.66 in the year. These figures are contained in a bulletin issued by the Citizens' Research Institute.

The per capita expenditure for debt charges increased in 1920 over 1919 in every province except Quebec. Every province, with the exception of Prince Edward Island showed a considerable increase over the 1919 figure for per capita expenditures on highways and bridges. The good roads movement is, no doubt, the explanation for this increase and as an offset every province had an increased revenue from the automobile tax.

In presenting its figures the Institute asks: "To what extent do these per capita expenditures absorb the citizens' potential savings which otherwise might be made available for the development of industry and commerce? Would the cutting down of these expenditures give to industry and commerce a new impetus?"

Per Capita Revenue

Province	1919	1920
British Columbia	$18.82	$29.84
Alberta	12.55	15.49
Saskatchewan	12.38	14.27
Manitoba	10.82	12.94
Ontario	6.33	7.58
Quebec	5.43	6.16
New Brunswick	5.87	7.94
Nova Scotia	6.32	7.13
Prince Edward Island	5.49	8.36

Per Capita Expenditures

	1919	1920
British Columbia	$18.82	$29.84
Alberta	12.36	14.69
Saskatchewan	10.82	14.39
Manitoba	10.11	13.76
Ontario	6.97	8.08
Quebec	5.94	5.76
New Brunswick	6.76	7.69
Nova Scotia	6.26	7.32
Prince Edward Island	7.15	7.57

Note.—In order to make the totals comparable the operating revenues of any public utilities have been excluded from the totals.

Heavy Taxes Tend to Property Confiscation

From Our Own Correspondent

REGINA.—With a tax mill rate of 86 mills for this year, the financial morass into which Swift Current has fallen seems far more hopeless than at the commencement of the year when a receivership was installed on application from the city's heaviest creditor, the Canadian Bank of Commerce.

The enormous taxation is causing property to be relinquished and with each reversion the income of the city is lessened; immense arrears are predicted upon the 1922 taxes because of the almost insupportable burden they represent.

At the beginning of the month, the local government board will again hold a conference on Swift Current affairs, the members of the board are journeying to the harassed city for the purpose of making personal investigation.

MONTREAL POWER DIVIDEND

Expectation of Increase to 6 p. c. In Near Future

From Our Own Correspondent

MONTREAL.—One of the most active stocks on the market during the past few days has been that of Montreal "Power" which rose to 90 for the first time in three years, as it was early in 1919 that it passed 90 and a short time afterwards touched 95, about the time when the dividend was raised from 4 to 5 per cent. There is a good deal of talk now of the present dividend being increased from 5 to 6 per cent. and this action either next quarter or the last quarter of the year will not be a surprise to financial interests on the Street. The last reports of the company showed an increase in earnings both gross and net and the drop in the price in cost of production in spite of quietness in industrial circles should make certain considerable increase in net earnings for the current year.

RESEARCH BUREAU GIVES ACCOUNTING

Tells of Work Accomplished in Toronto for Good Civic Government

Two associated organizations that have accomplished much for the cause of better government are the Toronto Bureau of Municipal Research, which makes analytical studies of municipal government in Toronto and the Citizens' Research Institute of Canada which carries on a similar work for Canada as a whole. At the annual meeting of the Toronto Bureau the other day the director, Dr. Horace L. Brittain, presented a record of what had been accomplished in the past year. Several surveys were completed, including the work of organizations such as the Victoria Order of Nurses and the Methodist Union. Studies were made of hospital accommodation, centralized purchasing and several other matters. Eight "white papers" were issued on civic topics and a series of bulletins and open letters.

There is one phase of the work of the bureau that cannot be touched upon in their annual report but which should merit recognition. The studies and recommendations of the bureau have undoubtedly influenced members of the local city council along the paths of good civic administration, inducing greater economy and breadth of vision.

A deficit of some $1,300 was reported in the financial statement for the year.

Edmonton's $2,000,000 Issue is Offered

Edmonton's refunding issue made its appearance in American markets this week when Wood, Gundy and Co. offered $2,000,000 of 25 year 5½ per cent. bonds of that city to yield the United States investor 5.90 per cent.

The city is purchasing sterling bonds with a portion of the money so received the net result being a substantial reduction in the city's debt.

Other Municipal Issues

Thorold, Ontario, disposed of $22,691 of 6 and 6½ per cent., 11 and 15 installment bonds to R. C. Matthews and Co. at 100.07, the average price working out at just about 6 per cent.

The town of Stettler, Alberta, sold $15,000 of 6½ per cent. 20 installment bonds to Mackay and Mackay at 98.75, a 6.78 per cent. basis.

The Roman Catholic schools of Calvert Township, Ontario sold an issue of $15,000 of 6 per cent. fifteen year bonds guaranteed by the Province of Ontario to A. E. Ames and Co. at 101.75.

Water District Issue

The $4,000,000 issue of the Greater Winnipeg Water District was sold to Aemilius Jarvis & Co. at 96.56. The bonds bear 5 per cent. interest and run for thirty years. Alternative bids were asked for 5 per cent. thirty year bonds and 5½ per cent. twenty year bonds, in each case to be payable in the United States.

POINT GREY BONDS

From Our Own Correspondent

VANCOUVER.—The District of Point Grey, B. C., a suburb of Vancouver, has awarded an issue of $100,000 5½ per cent. 20-year sinking fund bonds to Burdick Bros. at 97.15. The proceeds of the issue will be used in connection with road improvements, and, at the purchase price, the cost to the municipality is approximaely 5¾ per cent. Other bids were as follows:—Waghorn, Wynne & Co. and Canadian Financiers, 96.75; Wood, Gundy & Co., and Pemberton & Son, 96.48; Royal Financial Corp., 95.721; British American Bond Corp., 95.16, and A. E. Ames & Co., 95.09.

NEW PLANT AT WELLAND

A new company, known as the Lackawanna Tubes, Limited, has taken a Federal charter, with an authorized capitilization of $525,000. This firm has taken over the plant and equipment of the Welland Machine and Foundries, Limited. The principal product will be boiler tubes and it is understood that this company is the first to produce seamless steel tubes in Canada. A new building, 80 by 400 feet is being built.

1922 TAX RATES

St. Marys, Ont.	39 mills
Galt, Ont.	43 mills

DROP IN COST OF CIVIC BORROWING IS TEN PER CENT

Municipalities That Have Waited Are Going to Save

Municipalities that have waited two years or so to carry on programs of public improvements are going to save a lot of money as a result of their refusal to be stampeded into going ahead with the works at inflated levels. They will save not only on costs of material and on labor costs, but in the all-important item of the cost of financing. The municipality that has waited to borrow will save ten per cent. of the initial cost of structure in the financial end alone.

Suppose a bridge were built in 1920 to cost $200,000. Six per cent. debentures to that amount and payable in twenty installments would be issued. The first disadvantage would come in the big discount that would have to be taken off the amount raised by the bond issue. At 96.90%, which the bonds would probably bring, the discount would amount to 7.75 per cent. or over $15,000 on the bond issue. It would mean that additional debentures would have to be issued to provide for this amount or the plans for the bridge would have to be revised.

But today the bonds could probably be sold at a 5.80 per cent. rate, or better. A 6 per cent. bond would bring a premium of two points or $4,000 on the whole issue as against a former discount of $15,000. There would be a clear saving of $19,000 on the cost of the bridge. In other words, disregarding entirely decreased labor and material costs, the expenses of financing construction work by municipalities has declined so much during the past year or eighteen months that a reduction amounting to 10 per cent. of the entire capital cost of the improvements has come into effect.

Add this saving to the 15 to 25 per cent. reduction in the cost of materials and the 10 to 20 per cent. drop in labor costs, and municipal officers who have waited, bided their time in civic works have cause to congratulate themselves.

TENDERS AND BY-LAWS

TENDERS WANTED

May 3, Village of Fergus—$15,000, 6 per cent., 10-year instalment debentures H. Gibson, Municipal Clerk, Fergus. (See announcement on page 16.

May 18, Prince George, B.C.—$44,000, 6 per cent., 10 and 15 years. D. G. Tate, city clerk and treasurer. (See announcement on page 16.)

May 2, R. M. of Ochre River, Man.—$30,000 6 per cent., 30 year general improvement debentures. H. M. Johnson, Sec.-Treas., Ochre River, Man.

May 1, North Bay.—$215,437, 6 per cent, 10 and 20 annual instal. various debentures. Wm. N. Snyder, clerk. (See announcement on page 16.)

May 12, County of Renfrew—$200,000, 6 per cent, 20 year improvement debentures. R. J. Roney, county clerk, Pembroke. (See announcement on page 16).

May 1, Campbellton, N. B.—$90,000, 5½ %, 35-year debentures. J. R. Reid, Town Clerk. (See announcement on page 16.)

May 1, Toronto—$6,286,000 serial bonds average maturity 15 years, bearing interest as follows; $1,803,000, 6%; $2,920,000 5½%; $1,563,000, 5%, Geo. H. Ross, Commissioner of Finance, City Hall, Toronto. (See announcement on page 16.)

May 6, New Brunswick—$2,300,000 debentures dated May 15. Provincial Treasurer, Box 540, Fredericton, N. B. (See announcement on page 16.)

BY-LAWS TO BE VOTED ON

May 8, Orillia—$30,000 for waterworks purposes.

May 8, St. Mary's—$20,000 guarantee bonds to C. A. Hurlbut for erection of shoe factory.

DEBENTURE NOTES

Hanna, Alta.—Permission to float a debenture issue of approximately $50,000 has been obtained from the Utilities Commission at Edmonton for the purpose of installing a new electric light plant.

SASKATCHEWAN

The following is a list of authorizations granted by the local government board from April 8th to April 15th, 1922.

Schools—Centre Ridge, $4,500; Justice, $4,200.

Village—Mossbank, $2,000.

The following is a list of debentures reported sold from April 8th to April 15th, 1922.

Schools—Pleasant Point, $5,000, 15 yrs., 8%, Waterman-Waterbury Mfg., Regina; Rosebrae, $500, 10 yrs., 8%, Rosetown Sinking Funds; Galabank, $1,100, 10 yrs., 8%, C. C. Cross & Co., Regina.

Rural Telephones—Wakaw Lake, $31,100, 15 yrs., 8%, C. C. Cross & Co., Regina; Sovereign, $1,800, 15 yrs., 8%, Geo. Moorehouse & Co. Regina; McMillan, $9,100, 15 yrs., 8%, C. C. Cross & Co., Regina; North Marengo, $1,200, 15 yrs., 8%, C. C. Cross & Co., Regina.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
April 26	Edmonton, Alta.	Wood, Gundy & Co.	5½%	25 yr.	$2,000,000		
April 26	Thorold, Ont.	R. C. Matthews & Co.	6 & 6½	11 & 15	22,691	100.07	
April 26	Stettler, Ont.	Mackay-Mackay	6½%	20 in.	15,000	98.75	6.78
April 22	Alliston, Ont.	R. C. Matthews & Co.	6 %	25 & 30	40,000	105.26	
April 22	Stamford Township, Ont.	Dyment, Anderson & Co.	5½%	20 in.	50,000	99.838	5.52
April 10	Ford City, Ont.	Dominion Securities Corp.	6½%	20 in.	22,000		
April 26	Calvert Tp. Schools	A. E. Ames & Co.	6 %	15 yrs.	15,000	101.75	
April 22	Greater Winnipeg Water	A. Jarvis & Co.	5 %	30 yrs.	4,000 000	96.56*	
April 24	Quebec Catholic Schools	Wood, Gundy and Can. & Gen. Securities	5½%	20 yrs.	850,000	99.08	
April 24	New Westminster, B. C.	Lumbermen's Trust Co.	6 %	30 yrs.	200,000	98.	
April 15	Sask. Schools and Phones	Various			49,800		
		GOVERNMENT					
April 25	Dominion of Canada	J. P. Morgan Syndicate	5½%	30 yrs.	100,000,000	97.½*	
		RAILWAY					
April 1	C. P. R. Debenture Stock Addit	onal to sale last year	4 %	Perp	2,000,000		

*Payable New York.

Industrial
Preferred Stocks

May we send you a copy of our latest select list of Industrial Preferred Stocks?

We consider these stocks comprise the most attractive selection of Preferred Industrials on the Canadian Market today. Each of the issues named is listed on the Toronto Stock Exchange. Not one was included until observation and investigation had proved the sound character of its Security, the attractiveness of its Yield and its ready Marketability.

Present prices are decidedly interesting. 27

F. H. Deacon & Co.
Members of Toronto Stock Exchange
INVESTMENTS
75 BAY STREET, TORONTO
Phone Main 6733
F. H. Deacon J. C. Fraser
R. G. Dingman

CHOOSING
AN INVESTMENT

The choice of an investment should be governed by definite things:

(1) Knowledge of security recommended.

(2) Knowledge of client's requirements.

Each individual has need of personal counsel. Are you selecting your bonds bearing in mind that investing is a science where expert advice is necessary?

A copy of our "Bond Analysis" will assist you in making selections. Send for a copy.

HOUSSER WOOD & COMPANY
INVESTMENT BANKERS
12 King St. E., TORONTO.

THE CANADA TRUST COMPANY

Trustee
Investments

Our May List of Offerings of Trustee Investments is now ready for distribution. Copies gladly supplied upon request.

CANADA TRUST CO.
14 KING ST EAST TORONTO
HUME CRONYN - J.R. MITCHELL
Gen. Manager Mgr Bond Dept

DURING
Fifty-two Years
We Have Bought and Sold
Securities
FOR THE PUBLIC

We
Solicit Your Business

JOHN STARK & CO.
ESTABLISHED 1870
MEMBERS Toronto Stock Exchange
ROYAL BANK BUILDING TORONTO

A Municipal Bond
To Yield 6.35%
Fort Garry, Man.

Due 1951,
Denominations $1000

This is a good opportunity to buy a long term Municipal Bond yielding a high rate of interest.

Orders will have prompt attention, and may be wired at our expense.

Stewart, McNair,
Reid & Co.,
Members Toronto Stock Exchange.
88 Bay Street Toronto

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Leading Life Company of the Dominion
Assurances In Force - $550,000,000
Assets - $130,000,000
Sun Life Assurance Company of Canada
Head Office: Montreal

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$74,000,000.00
POLICIES ISSUED FROM $500 TO $5000
G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

YOUR FAMILY, YOUR HOME, YOUR BUSINESS,

---Demand Adequate Protection---

A healthy man, thirty-five years of age, earning $1000. per annum is worth to his family in money, as an income producer, at least $17,500. That is—when he dies, the family loses in potential wealth $17,500. An income of $1000 at earlier ages than 35 is worth more; at later ages less. Your estate, including the life insurance that you carry, probably does not nearly equal the present value of your income. In view of this, should you not increase the protection you are at present carrying? Mutual policies give maximum protection at minimum cost. It is of course not practicable to carry insurance sufficient to replace entirely the income received during the assured's life-time. But every effort should be made at least to guarantee to the survivors a home with a reasonable standard of living.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO ONTARIO

INVEST YOUR SAVINGS
In a 5½ DEBENTURE of The Great West Permanent Loan Company
5½% Interest Return
SECURITY
Paid-up Capital $3,414,663.00
Reserves 1,100,000.00
Assets 8,194,430.00
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

She's Daddy's Girl
Make sure that, after you are gone, she will receive, as long as she lives, a monthly cheque to provide for her every need
The IMPERIAL LIFE ASSURANCE CO. OF CANADA
HEAD OFFICE TORONTO

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give
FINANCIAL ASSISTANCE
to Estates being administered by it
PAID-UP CAPITAL AND RESERVE.......... $1,212,725
The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE: WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY
VANCOUVER AND VICTORIA

L. R. STEEL SERVICE CORPORATION LIMITED
OF CANADA
Investment Securities
Branch Offices:
MANITOBA: Winnipeg, Brandon; ONTARIO: Port Arthur, Sault Ste. Marie, Sudbury, Haileybury, Oshawa, Hamilton, Kitchener, London, Brantford, Chatham, Stratford, St. Catharines, Windsor, Peterboro, Ottawa, West Toronto, Owen Sound; QUEBEC: Montreal, Quebec, Sherbrooke, Three Rivers; NOVA SCOTIA: Halifax; NEW BRUNSWICK: Fredericton, Moncton.
Executive Offices: Lincoln Bldg., Buffalo, N.Y.
Canadian Executive Offices: Royal Bank Bldg., Toronto, Canada

Canadian Appraisal Co., Limited
Property Values Definitely Established to Meet All Insurance and Accounting Requirements
TORONTO ROYAL BANK BLDG
36 UNIVERSITY STREET MONTREAL
NEW YORK EQUITABLE BLDG

Lower Fire Insurance Rates Throughout West

"Fire insurance rates are to be reduced substantially," according to Secretary Carpenter, of the Western section of the Manufacturers' Association. The rates west of the lakes were not advanced during the war, but were always higher than those in the East. The Western Fire Underwriters' Board controls the tariff though there are many non-tariff companies operating on the prairies and in British Columbia. They, however, while not members of the board, conform to their tariff with only slight alterations. The impression has been general among Western business men for years that the rates were too high.

INSURANCE AND REAL ESTATE

INSURANCE POLICY FOR BANK'S STAFF ADDED TO PENSION

Banque d'Hochelaga Establishes Death Benefit Scheme

A scheme for the insurance of bank employees has been adopted by the Banque d'Hochelaga and is now going into effect. The insurance of the employees has come as a development of the bank's pension fund scheme, and has been received with keen expressions of appreciation. The pension fund itself is determined ordinarily on the basis of years of service and salary on retirement, but the bank has avoided any hard and fast rule, preferring to settle each case on what appears to be its merits. This leaves room for dealing with cases of temporary or permanent disability or serious illnesses, out of the pension fund, the purposes of which are interpreted broadly. For instance at the present time the head of one department is being given a trip to the south of France for the improvement of his health.

This pension fund and the new insurance arrangements are under the control of what is called "La Societe de la Caisse de Retraite de la Banque d'Hochelaga," or, the Pension Fund Association of the Bank of Hochelaga. The association is in charge of a board of directors which includes, ex-officio, the president of the bank, the vice-president, the general manager and the chief inspector, in addition to which are three members of the association chosen at the annual meeting from a list of ten members submitted by the board of directors.

The new insurance proposal, as the pension fund, is a free gift to the staff of the bank. While the pension scheme is variable insofar as the amounts voted pensioners are concerned, there is a definite scale under which insurance benefits are paid in the event of the death of a bank man. This has been marked out thus:

The employees are divided into four groups. The first is those with salaries of less than $1,000 a year; the second, those whose salaries are more than $1,000 and less than $2,000; third those whose salaries are more than $2,000 and less than $3,000; and fourth those with salaries of $3,000 and over.

Those in the first class are insured for $1,000 after three years' service, and this amount increases yearly until $2,000, where employees have ten or more years of service.

Employees in the second class are insured for $1,500 after three years, and this amount increases to $3,000 at the end of twenty years' service.

In the third class the insurance starts at $2,500 and increases yearly up to $7,500, the maximum after twenty-five years' service.

In the fourth class the insurance starts at $8,500 after three years' service and advances to $10,000, which is the amount possible after thirty years' service.

Below is given the scale on which the insurance is arranged for the four groups. It will be noticed that the increase is at least $100 a year and towards the latter part of the period the increase runs to $200, or $300 and in a couple of cases to $400 in a single year. The following is the official schedule:

GROUP "A"
Salaries Less Than $1,000.

Years of Service—	Amount of Insurance
3 yrs. but less than 4 yrs.	$1,000
4 " " " " 5 "	1,100
5 " " " " 6 "	1,200
6 " " " " 7 "	1,300
7 " " " " 8 "	1,400
8 " " " " 9 "	1,600
9 " " " " 10 "	1,800
10 " and more	2,000

GROUP "B"
Salaries of $1,000 or More, But Less Than $2,000

Years of Service—	Amount of Insurance
3 yrs. but less than 4 yrs.	$1,500
4 " " " " 5 "	1,600
5 " " " " 6 "	1,700
6 " " " " 7 "	1,800
7 " " " " 8 "	2,000
8 " " " " 9 "	2,200
9 " " " " 10 "	2,400
10 " " " " 11 "	2,600
11 " " " " 12 "	2,800
12 " " " " 13 "	3,000
13 " " " " 14 "	3,200
14 " " " " 15 "	3,400
15 " " " " 16 "	3,600
16 " " " " 17 "	3,800
17 " " " " 18 "	4,000
18 " " " " 19 "	4,300
19 " " " " 20 "	4,600
20 " and more.	5,000

GROUP "C"
Salaries Between $2,000 and $3,000.

Years of Service—	Amount of Insurance
3 yrs. but less than 4 yrs.	$2,500
4 " " " " 5 "	2,600
5 " " " " 6 "	2,700
6 " " " " 7 "	2,800
7 " " " " 8 "	3,000
8 " " " " 9 "	3,200
9 " " " " 10 "	3,400
10 " " " " 11 "	3,600
11 " " " " 12 "	3,800
12 " " " " 13 "	4,000
13 " " " " 14 "	4,200
14 " " " " 15 "	4,400
15 " " " " 16 "	4,600
16 " " " " 17 "	4,800
17 " " " " 18 "	5,000
18 " " " " 19 "	5,300
19 " " " " 20 "	5,600
20 " " " " 21 "	5,900
21 " " " " 22 "	6,200
22 " " " " 23 "	6,500
23 " " " " 24 "	6,800
24 " " " " 25 "	7,100
25 " and over	7,500

Group 4 starts with $3,500 insurance and advances by increases of $200 for each year of service to $6,700 and after that by $300, reaching $10,000.

Each employee can name in writing those he desires to become beneficiaries of the insurance, and if these are not named the board uses its discretion. The terms of payment whether cash, or an annuity, or other form, rest with the board to decide.

HOMUTH INSURANCE BILL MEETS DEFEAT

Strongly Opposed by Canadian Fraternal Association and Department of Insurance

On its second reading before the Ontario legislature, the Homuth bill was defeated. This bill was to have provided that in the valuing of the prospective liabilities of a fraternal society, under its contract of insurance, the actuary must be governed by the tables of mortality of the National Faternal Congress. There was great opposition from all quarters against the bill and the general opinion held was that there never would be any surety for a fraternal society if every session of the legislature passed bills permitting them to value their securities.

Dr. Frank L. Sanderson, consulting actuary of the Ontario Department of insurance, stated to THE FINANCIAL POST that the view the department held of the Homuth bill, was the same as was expressed by a recent meeting of the Canadian Fraternal Association. At this meeting the following resolution was passed, and a copy of it was sent to every member of the House:

The bill is entirely unnecessary because the insurance act which was passed by the legislature last session and which met with the approval of this Association fully meets all the needs of friendly societies as to valuation of insurance certificates, inasmuch as liberty and latitude is allowed to any Society through its own appointed actuary, to select suitable interest and mortality factors for valuing such certificates.

The Act passed last session governing valuation and solvency of friendly societies is generally regarded by competent judges as a sound, reasonable and fair insurance measure, and it should not be amended before actual experience of its operation demonstrates such need. So far as known, the executive officers of no society have requested ammendment of the existing Act.

Not only is the Homuth Bill unsound in principle, but it would, if enacted, entail continuous and needless expense upon friendly societies, in the preparation of extensive preliminary valuation tables each year, where such tables have to be founded upon unusual odd rates of interest.

The majority of insurance contracts run for many years and a society's rates and future solvency should not be predicated upon abnormal rates either of interest or mortality. No legal standard exists in any Province, state, or in any country in the world, compelling the use of a 5 per cent. rate of interest in the valuation of friendly society contracts, such a law in Ontario would bring discredit upon all Canadian friendly societies and upon our insurance laws.

It is unwise and confusing to have a different standard of valuation for societies having dominion and provincial licenses, respectively.

Section 78j makes ample provision for dealing with any excess surplus which may arise by reason of extra interest earned. This provision of the Act has already been taken advantage of.

As the bill is at entire variance with the principle of liberty adopted by the legislature last session in the Act passing governing friendly society valuations, this Association respectfully urges that the bill be not passed.

Amunsden Aeroplane Carried Insurance

When Captain Amunsden's aeroplane crashed after the first leg of its flight to the North Pole, it had established two records, it is believed. It was the first time that an aeroplane had been used for an expedition of this kind and it is the first time that an aeroplane of this sort had been insured.

The insurance on this machine was arranged through the aircraft department of the Home Insurance Company and the policy was to cover the first part of the Amunsden journey, namely its cross country flight from the Atlantic to the Pacific. The insurance was to cease when the plane reached Seattle, at which time it was to become the property of Captain Amunsden.

The insurance policy of the Home protects the plane for fire in the air, collision with other aeroplanes in the air and on the ground.

STUDEBAKER'S PRODUCTION

The achievements of the Studebaker Corporation in the first quarter, coupled with consideration of the future plans of the management, leaves little room for doubt that this year's production and earnings will far surpass those of 1921, the record year to date.

In the three months ended March 31, output was 26,675 cars. For the current quarter it is planned to produce 30,000 vehicles. This means that in six months Studebaker will have turned out within 5,000 cars of the 1921 total of 66,643. Even on the basis of a possible slump in sales during the last half it appears a safe assumption that 1922 output will run close to 100,000 cars.

LESS INSURANCE WRITTEN DURING PAST FEW MONTHS

Greater Interest Being Taken in Insurance for Business Purposes

In the production of new insurance during the first quarter of the current year, the pace has not been as rapid as characterized the opening months of 1921. That was to be expected in view of the fact that the impetus gained during the record year of 1920 was carried well forward into 1921 and was the chief factor in swelling the volume of business in the past year. Naturally throughout the period of depression which followed, it was only logical that there would be no upward trend until the extent of the depression had been felt.

That we have turned the corner toward better times is evident to the most casual student of trade indications. The effect on the general prosperity of the people is already evident in industrial centres and there is a better feeling of confidence showing itself in rural districts since the law of supply and demand has placed the products of the farm on a more satsfactory basis. All this will increase the purchasing power of the average man, for insurance as it does in other lines of business.

In comparing the amount of new business written in the first quarter of 1921 and of the present year, there are some lines which have shown an increase. In life insurance there has been a widening of interest, in insurance for business purposes. Automobile and plate glass have also increased. On the other hand accident, life and burglary have declined.

One large company explained that the heavy increase in business insurance was due to the growing demand on the part of the banks that policies of this type be placed on executives of a firm whose removal or death would seriously affect the credit standing of the firm. Now that there are less robberies being reported, people are allowing their burglary policies to lapse in ever increasing numbers.

Generally speaking large companies have found that the proportion of new business written in the United States is ahead of that in Canada and Great Britain. In the broad economic movements that affect business conditions, it is believed that we are about three months behind the United States. This was true of the period of depression from which we are slowly emerging and in view of the better conditions prevailing there now, we may expect that the total amount of insurance written in the remainder of the year will, on the average, closely approximate that of 1921.

NEW JOINT SAVINGS AND INSURANCE PLAN

Chartered Trust to Give Depositors Protection of Term Insurance and Savings

Another plan for a joint savings and insurance account has been introduced by The Chartered Trust and Executor Company of Toronto, working in conjunction with the Ontario Equitable Life and Accident Insurance Company of Waterloo, Ontario. The feature of the Chartered Trust's plan is that the depositor has a savings account with the added protection of term insurance extending over the life of the account, as the savings increase and the interest accumulates, the amount of the insurance afforded by the life company isdecreased. At the end of the 11th month of the tenth year the depositor will have exactly $1,000 to his credit and the insurance will have vanished.

This plan is considerably different from that recently adopted by the Huron and Erie Mortgage Corporation. The plan of the latter company is that the depositor pays approximately $1.25 more on his monthly deposit and at the end of the period of the account (one hundred and twenty months), he is entitled to his $1,000, plus accrued interest and a straight life policy which may be kept in force by continuing the payment of premiums, with a cash surrender of $114. The medical examination required by both these companies is less extended than for a regular life insurance policy. This type of account will make its greatest appeal to the person with a small income and who would find difficulty in meeting the premiums of an ordinary life policy.

S. C. Tweed, manager of the Ontario Equitable Life and Accident Insurance Company, in speaking to THE FINANCIAL POST of the possible extension to this system, of securing new business said, "It is our plan that we will open up branches in all parts of Canada, where we are able to secure a loan or trust company to work with us."

The Western Empire
Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH
Managing Director

Western Assurance Company
Fire, Marine, Automobile, Hail, Explosion, Riots, Civil Commotions and Strikes Insurance
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - - - $7,900,000.00
Losses paid since Organization - - $81,300,000.000
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bikerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Meikle, President and General Manager; Wilfrid M. Cox, Vice-President; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets over - - - $4,400,000.00
Losses Paid Since Organization, over - $50,000,000.00

WESTERN HOMES
Limited
WINNIPEG, MAN.
Capital Authorized .. $5,000,000
Capital Subscribed... 1,700,000
Mortgage Investments
Available shares afford a safe and profitable investment for savings. For full particulars write the Company's Office, Confederation Life Building. Winnipeg.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE, WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W.H. George, Superintendent of Agencies

The LONDON MUTUAL

FIRE INSURANCE COMPANY of CANADA
Established 1859
FIRE INSURANCE
Automobile Insurance
(All Classes)
A. H. Carson, President
F. D. Williams, Vice-President
A Canadian Company
Head Office:
LONDON MUTUAL BUILDING
33 Scott St., Toronto

Only 4 DAYS Open Sea to EUROPE
Down the picturesque St. Lawrence river and gulf, to England, France, Germany, Belgium, Scotland. See us or write today.
Further information from local steamship agents or
H. B. Beaumont
Gen. Agent
1 KING ST. E.
TORONTO
Canadian Pacific

VERSAILLES-VIDRICAIRE-BOULAIS
LIMITED
Investment Bankers
MONTREAL QUEBEC OTTAWA
Quebec Municipals and Industrials a specialty

SECURITY—THEN PROFIT
ANGUS MACDONALD & CO.
C.P.R BLDG. TORONTO
Adel., 5268
SPECIALIZING IN HIGH-GRADE SECURITIES

WESTERN BOND ISSUES
We Specialize in Western Provincial, Municipal and School Bonds
Lougheed & Taylor, Limited
CALGARY, ALTA.

Specialized Executor Service

The most competent individual executor with his limited experience and his own affairs to attend to cannot be a specialist. By appointing this Trust Company executor you will make certain that each class of work pertaining to your estate will be taken care of by experts who are specialists in that particular work.

CHARTERED TRUST AND EXECUTOR COMPANY
46 King Street West, Toronto
Hon. W. A. Charlton, President.
John J. Gibson, Managing Director.
W. S. Morden, K.C., Vice-President and Manager of Trusts Department.

Cash Register Wanted—Single drawer. Receipt printer. Must be in excellent condition. Box No. 26.

WANTED

One of our readers is very anxious to secure back numbers of THE FINANCIAL POST to complete his files. Would anyone having any of the following copies please communicate with us as soon as possible:

Vol. 13, No. 29 (July 19, 1919).
Vol. 13, Nos. 38, 39, 41, to end of volume.
Vol. 14, Nos. 1, 3, 4, 5, 9, 10 (January to March, 1920).

We would greatly appreciate receiving any of these copies that are available.

THE FINANCIAL POST,
143 University Ave., Toronto

The Canadian Bank of Commerce

Dividend No. 141

Notice is hereby given that a dividend of three per cent., upon the capital stock of this bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 31st May next, and that the same will be payable at the bank and its branches, on and after Thursday, 1st June, 1922. The transfer books of the bank will be closed from the 17th May to 31st May next, both days inclusive.

By order of the Board.
JOHN AIRD,
General Manager.
Toronto, 21st April, 1922.

BANK OF MONTREAL

Notice is hereby given that a dividend of three per cent. upon the paid-up capital stock of this Institution has been declared for the current quarter, payable on and after Thursday, the 1st day of June next, to Shareholders of record of 30th April, 1922.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 21st April, 1922.

Canada Cement Company LIMITED

Preference Shareholders

DIVIDEND NO. 49

NOTICE IS HEREBY GIVEN that a dividend of 1 ¾% for the three months ending March 31st, 1922, being at the rate of 7% per annum on the paid-up Preference Stock of this Company has been declared, and that the same will be paid on the 16th day of May next to Preference Shareholders of record at the close of business April 30th, 1922.

H. L. DOBLE, Secretary.
Montreal, April 18th, 1922.

King Edward Construction Co. Limited

Notice is hereby given that a dividend of four per cent. on the preference shares and a dividend of five per cent. on the common shares of this Company have been declared payable May 1st, 1922, to shareholders of record at the close of business April 20th, 1922.

The transfer books will be closed from April 20th to May 1st, inclusive.

By order of the Board.
W. K. FRASER,
Secretary.
Toronto, April 19th, 1922.

WOOLLEN TRADE HAS SHIFTED FROM STATES OVERSEAS

With Canadian Mills Retaining an Increased Portion

PRICES HIGHER

Advances Announced for Fall Indicating Improved Business Prospects—Interesting Figures

From Our Own Correspondent

MONTREAL.—The woollen industry at the present time has an important bearing on the condition of Canadian trade, both in relation to the favorable or unfavorable balance as between imports and exports, and also a future drop in the unfavorable balance which now exists between Canada and the United States.

During the war and for some several years afterwards large shipments of woollen goods were made from the United States to Canada. The American Woollen Company, the largest manufacturer of its kind in the United States, which produces enormous quantities of woollen cloths, formed an export branch and established a permanent agency in Canada, including branches in Montreal and Toronto. This company did a large business owing chiefly to the fact that the British manufacturers who had controlled the field mainly in the past were unable to make deliveries, as their factories were used for munitions during the war and were more or less disorganized after the armistice. This company has now closed its agencies in Canada and recognizes the fact that very little export business in staple lines will be done with Canada although there will be more or less of the fancy cloths imported by Canadian manufacturers for women's garments. The bulk of the trade of this company and others is now passing into the hands of the English and Scotch manufacturers, and to a considerable extent into the hands of Canadian woollen mills.

The improvements in the output and in the market for Canadian woollen goods is one of the most satisfactory after-results of war-time conditions. The Canadian mills almost without exception attempted new lines during the war and afterwards when European products were shut off, and have succeeded so well in establishing a market for these in Canada that they are continuing the production now, and wholesale distributors are of the opinion that this will be a permanent enlargement of their field. This in itself will tend to lessen imports from the United States and create a more favorable field for Canadian currency.

Regaining the Old Trade

In the main, of course, the British and Scotch manufacturers will regain their old trade that they held for a century or more. A large distributor who had former connections with United States firms informed THE FINANCIAL POST this week that he had made very satisfactory arrangements with British manufacturers and was surprised to find one or two of them at least keenly interested in developing lines in style and quality that would appeal particularly to the Canadian trade. It has, of course, been a traditional belief that the British manufacturers could not be budged from the lines they were turning out for their domestic trade, but in the woollen industry as in many others, they are showing an enterprise that has been attributed hitherto to United States and to German manufacturers for the most part.

Shifting to Overseas

One line in which a large business was done by the United States with Canada for several years during the war and afterwards, was in worsteds and serges, including coatings. In the period of eleven months ending February, 1920, Canada imported from the United States 3,435,108 yards of these cloths at a value of $5,700,404 compared with a smaller amount of 3,133,753 yards from Great Britain but a higher value of $7,789,474. For the eleven months ending February, 1921, however, the business had shifted very greatly back to Great Britain although some remained in Canada. The imports from Great Britain were 4,876,037 yards at a valuation of $13,666,081 when prices were at their peak, while the imports from the United States were less than one-third those of the previous year, being 1,004,073 yards of a value of $2,085,993. For the eleven months ending February of this year the importations from England were almost as large as the previous year in spite of the lessened activity in business, being 4,451,912 yards at a valuation of a little more than half, namely $7,689,123. Imports from the United States were cut in two, 525,074 yards at a value of $968,993. As showing an improved business that has started this year, the importation from Great Britain of these lines during the month of February of this year were 525,455 yards valued at $888,361, but the importations from the United States were only 32,122 yards or about one-sixteenth, and the valuation was $53,026, one-third that of February, 1921.

Where U. S. Trade was Wiped Out

In the case of tweeds the yardage imports from Great Britain for the eleven months were 1,430,571, as against 2,010,397 one year ago, but for the month of February there were 230,896 yards brought in as compared with 75,296 in February, 1921. In fabrics of wool such as lustres, mohairs, alpaca, etc. the yardage for the eleven months was 1,640,071, which was practically the same as that of the eleven months ending February, 1921. For February alone 236,234 yards were brought in as compared with 128,000 in February, 1921. One other line deserves notice as indicating that importations in woollen goods are improving, and therefore that busness is better; in dress goods, coat linings, serges, cashmeres, bengalines, etc. the importations for February from the United Kingdom were 461,664 as compared with 271,604 in February 1921, again almost double. In all these cases imports from the United States have shrunk greatly or been wiped out entirely as in the last mentioned instance.

Advances in Prices

One other point is worth noting. Announcement is made by the American Woollen Company that they have advanced prices on lines for Fall by from 15 to 45 cents per yard. This advance is in response to higher prices for yarns but at the same time it is recognized in the trade that the advance would never have taken place or at least have been much less had the company not felt assured of a real improvement in demand, not only from the cutting-up trade but from distributors to retail stores.

Do Business Cycles Run True?

More people are using the phrase "business cycle" these days than ever before in the history of economics. When a business man wants to express his optimism he no longer says simply, "Business is good." He says: "Business has turned the corner and is in the rising phase of the cycle."

The phrase is not, however, found only in the mouths of those who wish to seem wise. It represents a theory held by many reputable economists, and the number of its sincere, intelligent advocates seems to have increased as fast as the roster of those who use the words without understanding.

It therefore caused quite a stir when Theodore H. Price, in a recent address before the Rochester Association of Credit Men, said that the cycle theory is a hallucination, and that the widespread belief in this mistaken idea is one of the reasons for the present business depresion. Mr. Price is the editor of Commerce and Finance and a contributor to other economic and business publications, and he has a reputation for knowing what he is talking about.

The Theory

The cycle theory is expressed as follows by one of its best-known advocates, Roger W. Babson:

In Rebuttal

Mr. Price says that he has received 100 personal letters since he delivered his speech attacking the cycle theory. His statements have also inspired trade paper comment, not always favorable. The Iron Age, although it agrees that the cycle theory should not be applied too rigidly, believes that Mr. Price's language is a little too emphatic. It adds:

"It is true that business history shows periods of prosperity and depression occurring and it certainly cannot be maintained that all belief in the recurrence of depression in the industrial world is due to hallucinations. Human nature being what it is, every period of prosperity has brought transgression of economic laws, and the broken laws would not be denied their penalty. Great harm has been done, however, by gloomy forebodings. Much can be accomplished by not looking for depression at any time and to ameliorate conditions when prosperity wanes. Much has been accomplished by the Federal Reserve Bank, with its adjustment to credit requirements, and other ways of meeting financial stress and unemployment will be found.

"The business and financial world is governed by the great fundamental law of action and reaction, as inevitable and unvarying in its operation as the law of gravitation.

"This same action-reaction causes the business world to travel in regular cycles, each consisting of the following periods:

"Period of Prosperity: High prices, high wages, increasing money rates, optimism, rabid speculation, over-expansion.

"Period of Decline: Falling prices, unemployment, pessimism, conservatism and retrenchment.

"Period of Depression: Low prices, hard times, money very tight, failures, panic conditions, thrift and economy.

"Period of Improvement: Gradually rising prices, increased production, business on the up-grade.

"Because these various periods follow each other in the same order and continue in this inevitable cycle, a constant and painstaking study of the combination of fundamental conditions which cause them enables us to forecast their coming with remarkable accuracy."

The advocates of the cycle theory believe that their proposition is based upon the evidence of the past. Mr. Price, however, thinks that widespread belief in the theory is possible only because the science of economics is in its infancy, and business men may be easily deluded by mistaken ideas.

"The cycle theory assumes an alternation of business prosperity and prostration, and insists that because we have been successful for a time we must for a period be unsuccessful," says Mr. Price. "The idea seems to be that human affairs are rhythmic; that pain succeeds pleasure, that plenty is followed by famine; that wealth presupposes poverty. It runs all through literature and is almost prehistoric. Many books have been written in support of the theory, and elaborate diagrams have been drawn to prove it.

"Most people have surrendered themselves to it so completely that they often bring about hard times by vociferously insisting that they are due; and the agonizing deflation through which we have recently passed was, I think, largely attributable to the fact that some highly placed personages who had the power to make their prophecies come true were obsessed with a belief in the cycle theory.

"For some mystical reason, probably because seven years of plenty were followed by seven years of crop failure when Joseph was in Egypt, a great many people believe that if we have seven years of prosperity nowadays, the succeeding seven years will be a period of hard times.

"But how absurd this is. If we told a man that he would be ill for seven years because he had been in good health during the previous seven years, we would be laughed at, and to argue that because a man had been wise for seven years he must be a fool for the next seven is manifestly absurd. The presumption is all the other way. The probability is that a man who has been in good health will remain healthy, and sagacity of conduct for seven years is generally regarded as indicative of permanent success. Why should we assume that the reverse is true of the business community as a whole?

"The cycle theory is also unscientific in that it is fatalistic. In every other department of human endeavor men have discovered and are discovering the natural laws that govern, and they are coming to realize that by obedience to these laws they may escape or ameliorate many hazards and ills hitherto considered unavoidable.

"When I was a child I was told of a flock of chickens that was induced to keep looking upwards because an old rooster went about crowing 'The sky's falling.' The wise old rooster was meantime eating up all the chicken feed on the ground. The story is, I believe a nursery classic, but it is not without present value for the business men who have missed many opportunities because they have listened to the unscientific talk of the pessimists. I really believe that the depression from which we are just emerging was largely the result of auto-suggestion induced by the cycle theory."

MORTGAGE RATES MAY DROP BEFORE AUTUMN

Loan Companies Say That There is 6½ Per Cent. Money in Sight

Many of the large mortgage companies are of the opinion there is a good possibility of 6½ per cent. mortgage money, before the end of the summer. At the present time there are a large number of 7 per cent. loans on high class properties or approved securities, although in the case of certain townships the rate is as high as 8 per cent. One company reported a $2,000 mortgage at 7 per cent. on a 17-roomed house valued at $15,000, as being fairly typical of the market at the present time.

Due to the immense amount of new money brought into circulation during the war, there is a very much keener competition for good prospects. There was also increased rivalry between the insurance companies on the one hand and the trust and mortgage companies on the other for new business. Again wealthy men are looking to this sort of investment, rather than place their money in bonds at the present moment, with their steadily declining interest yields.

Several of the companies report that their loans to farmers have increased greatly during the past few months, as a direct result of the fall in prices of agricultural products last fall. Also many business men have taken loans on their homes and property to carry them over the period of depression. Loans to builders of small houses have increased to a considerable extent.

In every case the loan companies say that there is any amount of money available in Scotland for their use which will be brought out just as soon as the obstacles of exchange are removed. Many of the companies could have cleared up their maturing obligations in England and Scotland during the past year, greatly to their advantage, but did not do so, preferring rather to retain their connections with the old country houses, rather than take a temporary gain.

BARCELONA TRACTION

Gross earnings of the Barcelona Traction, Light and Power Company for the month of March amounting to 3,937,152 pesetas show an improvement over the figures for February and are only 137,342 pesetas lower than January's high record. As compared with the figures for the same month in 1921 there is an increase of 1,045,409. Operating expenses at 1,438,097 showed an increase of 409,262 pesetas, while net amounting to 2,499,055 pesetas compared with 1,862,908 in the previous year, an increase of 636,147.

The aggregate gross for the three months ending March amounted to 11,429,309 pesetas, an increase of 2,029,187 over the corresponding three months in the previous year, and the aggregate net at 7,362,406 pesetas, showed an increase of 1,059,094.

TECHNICALITIES IN INSURANCE AND FIDELITY BONDS

Rates and Provisions of Fidelity Bonds Vary Greatly

EXAMINE YOUR BONDS

They May Contain Cut-offs That Are Often Very Much In Doubt—Delay in Reporting Often Fatal

Due to the remarkable growth in the fidelity bond business during the past few years particularly as it applies to the employees of banks and large institutions, it is necessary to be thoroughly conversant with the terms of the bond giving this form of protection. When an officer or an employee of a company is bonded for a definite amount it is ordinarily believed that if he becomes guilty of a shortage or defalcation that the claim will be paid at some time after the matter is reported to the surety company.

In the first place it makes a lot of difference when the fraudulent act took place and when it was discovered. Many bonds contain "cut-offs" or limitations of liability; providing that the shortage must not have only occurred but must have been actually discovered within the term of the bond or shortly afterward. In the first bonds issued the limit of discovery was confined to three months; it slowly increased to six and then the perpetual clause was added but latter has had to be abandoned. The companies were unable to keep track of the liability and in addition they were required by law to make contingent reserves for which they derived no revenues. So that in the up-to-date bond the limit varies from 6 to 36 months, being based on the theory that a shortage would hardly get past an auditor on one or two accountings. Still one of the large bonding companies had to pay a claim recently for $750 which was discovered 18 months after the bond had been cancelled.

Notice to the Company

Many of our modern policies are so worded that on discovery of a shortage the company is to be notified within ten days by registered letter and an itemized statement is to be supplied within three months. This last clause is rather elastic as it is not always possible to give all the details and the bonding company will usually give an extension on due notice being given. Nor do the companies very often make arrests, preferring rather to make some adjustment with the guilty person to gain as much of salvage as possible. When a man is under arrest practically all hope of restitution is gone.

Business men should examine the provisions of the bonds then held. If at all in doubt then should submit them to their lawyers and ask the surety company to explain the provisions of the "cut-offs," liability and the requirements of notice of loss.

NEW INSURANCE PROJECT

The Canadian Life Reinsurance Company Has Been Organized

The new Canadian Life Reinsurance Company is being organized by the officers of the Ontario Equitable Life and Accident Insurance Company of Waterloo, Ontario. The application for letters patent was made April 27, and the company expects to be in a position to do business by the first of May. The directors will be elected at a shareholders' meeting to be held towards the end of May. The company will make direct connections with Canadian and American companies.

The authorized capital is to be $2,000,000. The proposed officers are as follows: president, Sydney C. Tweed; Mervyn J. Smith, secretary; A. J. Huenergard, actuary; W. L. Milliard, medical director and J. C. Haight as solicitor.

J. & J. Taylor's Safes FOR SALE

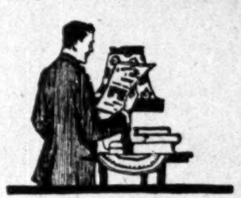
One J. & J. Taylor Safe, inside dimensions 15 inches deep, 2 feet 6 inches wide, 3 feet 11½ inches high and fitted with a built in compartment. Price $250.00.
One J. & J. Taylor Safe, 18 inches deep, 2 feet 8 inches wide, 4 feet 5 inches high, fitted with a steel compartment. Both safes are in good condition and can be bought at a price that will save considerable money to the purchaser. Price $200.00. Box 25, THE FINANCIAL POST, 153 University Avenue.

REAL ESTATE
FARM LANDS CITY PROPERTY
BUILDING MANAGEMENT RENTALS
Osler, Hammond & Nanton
WINNIPEG

Your Finances

The Man Who Saves

At age 19 his bills exceed his income.



At Age 21 his Canada Life Policy creates an estate in event of death and saves his money.

At age 35—the age of extravagance—his "bills" include a "premium due," which, while counted as an expense, is really a saving.

At age 50 he can "spend" anything in reason.

At age 60 he has "saved" to some purpose, has no anxiety for the future, and leisure for his many interests.

If you look ahead you can easily picture how useful $30,000 would be to you.

This amount of money can be more easily saved than most people imagine, in this way:

If you were to start in and save $200 each six months and let it compound at 5½%—in 30 years you would have $30,000, but—you know of many people who could have set aside this amount, yet who are still "drudging along," with no hope of relief.

You know yourself how hard it is to save cash. Human nature is such that very few people allow ready money to remain untouched for any length of time. Therefore—

The Canada Life Plan

Provides that any sum you name will be delivered to you in cash at any age you desire, or to your beneficiary should you die in the meantime.

By this plan an IMMEDIATE ESTATE is created in event of death equal to the full face value of your insurance policy. You anticipate years of effort, *capitalize* your present health and earning power, and make certain of many years of progress now.

The Endowment at 65

issued by the Canada Life makes saving money attractive, systematic and very profitable.

You can be certain that the full amount—$2,000, $5,000, $10,000, or more—will be paid in any case, whether you live or not. Other investments may fail—the Canada Life Endowment is a certainty. It will take care of your home, your business, your children's future, or yourself, as nothing else can.

Profits Will Hasten Maturity

If the profits are allowed to remain each year, instead of being withdrawn and spent, a special clause provides that the face value of the policy will be paid some time well in advance of the due date.

Regular saving, an immediate estate in event of death, substantial profits, absolute safety—this is a combination that you should look into today.

Ask for particulars.

Canada Life
Home Office:
Toronto,
Canada

Canada Life Assurance Company,
Dear Sirs,—Without obligation on my part, please send me particulars of your "Endowment at 65."
Name ....
Address ....
Born .... day of ....

12

AMERICA OCCUPIES UNIQUE POSITION IN WORLD TRADE

Not Dependent on Foreign Markets for Food and Work

BRITAIN'S FAIRNESS

Buying European Securities and Trade Credits Most Effective in Improving Home Trade

By James Speyer

NEW YORK.—Every civilized nation that sells or buys goods from others is naturally concerned in the improvement of foreign trade conditions, none more so than the United States with its large natural resources, its surplus crops and its increasing output of manufactured goods. For this reason, if for no other, our people follow with sympathetic interest every effort made toward this end by European powers at conferences or otherwise.

However, we shall do well to remember that we are not dependent on foreign markets to feed and fairly employ our own people, and that we occupy a unique position as the one great creditor nation without foreign debt. This should make us careful not to be drawn into any meeting called by European powers, unless the programme promises satisfactory results and involves for us no unnecessary complications. Unfortunately, the Genoa conference specifically excluded from discussion one or more of the fundamental causes of the existing economic depression, and its course, up till now, seems to prove the wisdom of our Government's decision not to take part.

Real Peace Needed

Everybody knows that what is needed in Europe is a real peace to enable each nation to work, to enlarge production and consumption, to end wasteful expenditures and to increase its purchasing power abroad, either through appreciation or, at least, stabilization of its currency, or through larger exports of its manufactured goods. Restoration of international trade should not be hampered by artificial barriers, and high tariff walls would be a positive detriment, especially as new frontiers have disrupted old economic units and relations.

Mr. Keynes and other independent and courageous men have repeatedly pointed out that as long as the vast domain of Russia remains practically boycotted, a general improvement in economic conditions should not be expected; nor could such improvement take place unless the value of Continental currencies and exchange, especially in Central Europe, is raised. It is generally admitted that, as regards Germany's currency, no such improvement is possible until further changes from the basis exacted when the war was closed have been made, both in the amount of the gold reparations and in the modus and time of payment.

Small beginnings have been made in revising the peace treaties. Unfortunately, some of the big European powers, as has been said, after "waging war" for four years have ever since been "waging peace." Great Britain is preeminently the country to realize the political and economic problems confronting the world and its Government and people, in a spirit of fairness and common sense, which is characteristic, are using their influence to find a proper solution and to convince other nations that jealousies and hatreds must be put aside and not allowed to influence or rule any conference called to restore normal conditions and international trade. Let us hope these ideas will in time prevail and find expression through mutual accommodation and greater good will. Then will be the time for our Government to take a hand.

Buying Securities

In the meantime our bankers and investors might well continue to buy European securities and extend credits; this is a practical business and very effective way to improve trade relations and exchange for countries deserving help, without compromising the financial position of our Government and its just claims against foreign nations. The American people entered the war and their representatives went to Versailles animated by a sincere desire for a real and more permanent European peace resting on fair and firm foundations, without big or little ententes or alliances. Experience has shown that the European governments, the old as well as the new, must build these foundations themselves, and only after they have made more progress in that direction should they expect our Government offically to co-operate in a wholehearted and generous American way.

CLEAR THE AIR FOR COMMERCE

THERE is under discussion among Canadian banks a proposal to establish a radio broadcasting station to send out exchange quotations, financial news, etc., to the various branch banks throughout the country, which would each be equipped with receiving outfits. It is conceivable and has indeed been seriously discussed that stock exchanges might send out daily closing quotations. Such legitimate commercial uses of the radio should not be interfered with by overloading the air with too many messages of the same wave lengths.

One of the difficulties serious radio workers have experienced is in keeping the air clear. Numerous tyros at the wireless game have cluttered up the atmosphere with messages of assorted wave lengths and varying degrees of importance. People with receiving outfits have difficulty in listening to any one particular message—be it music, news, lectures or code signalling.

Eventually the limitations of the radio will have to be recognized and provision will have to be made by Dominion or continent-wide legislation to control the sending of radio messages through the air. Radio experts admit that the air must be reserved for broadcasting messages and government and marine work, and not for communication between individuals. And as there are only a limited number of wave lengths the most important broadcasting stations will have to get the right of way.

In England, Germany, France and other European nations individuals are restricted to such a degree by military laws that radio ameteurs do not exist. Co-operation between Ottawa and Washington in establishing sane rules to prevent too much jazzing of the ether would seem to be a sensible procedure, without going to the European extreme.

Was Merchants Bank Rotten in '15?

From Our Own Correspondent

MONTREAL—There is a feeling in some quarters that the trial of the president and the general manager of the Merchants Bank may limit itself to the incidents immediately connected with the Government return made for October, 1921, or that year alone. It is generally believed that returns made some years previously also were misleading.

THE FINANCIAL POST has quoted a statement by a former inspector that conditions were very serious as far back as 1915. This same official it appears was brought in from the outside by the late Mr. Hebden, then general manager, to make an inspection of the Montreal branch. This inspector says he furnished a report in February, 1915, that was strongly adverse as to conditions then revealed and that such a step—bringing in an outside staff man for this work—was an unusual one.

This report of February, 1915, should by all means be produced at the trial and the circumstances under which it was made and to whom it was communicated and who were implicated by that report in heavy losses incurred by the bank should be cleared up. The shareholders will regard this as imperative.

Backing up this report is a statement made in court by the liquidator for Thornton Davidson and Co., who declared on oath that his investigation had revealed the insolvency of this brokerage firm as far back as 1915.

The Merchants Bank inquiry must be more than a mere investigation into returns for a single month or even the whole year of 1921. The interests of every bank in Canada demand a thorough investigation and not the establishment merely of one technical point.

A Farcical Re-organization? Has the Fight only Begun?

THE FINANCIAL POST learns that the reorganization of Canada Steamship will mean the retirement of the following members: Roy W. Wolvin, Vice-President; F. S. Isard, W. E. Burke, J. P. Steedman, Hon. Frank Carrel, Senator Casgrain, Tancrede Bienvenu, J. E. Dalrymple and probably Hon. E. Bristol. Those remaining are J. W. Norcross, Dr. W. L. McDougald, D. B. Hanna and H. B. Smith. Among those to be added to the board are W. H. Couverdale, of New York, as President, Robert Hobson, A. J. Brown, K. C., Col. F. W. Molson, Senator Smeator-White and two French-Canadians. J. W. Norcross, now President, may become Vice-President and Managing-Director, but in any case will manage the company.

PUBLIC OPINION—protesting and indignant—has been driving the bond houses interested in the financing of Canada Steamship Lines to broaden out in their original plans of re-organization.

We say "driving" advisedly; from first to last there has been little evidence of any real desire to "clean up" the undesirable situation that had grown up in connection with the management, beyond the minimum needed to "put over" an issue that would be highly profitable for themselves.

There has been little evidence of a recognition of the real responsibility that rests upon an investment house when it holds the upper hand, to insist upon a thorough and long-overdue house-cleaning, that would force out every individual who had abused his trust.

As we go to press, two reports are current in financial circles. One is that a New York house has decided definitely to underwrite an issue of $6,000,000, and the other that a definite decision has been reached to drop J. W. Norcross from the presidency.

The floating of the issue in New York can hardly help but draw the comment that the original plan of distributing a portion of the issue in Canada had to be abandoned, because of distrust, far and wide, of the present management, and a realization that the reorganization planned by the bond houses was going to be inadequate: was, indeed planning to retain the chief source of distrust in the public mind inasmuch as he was the chief official of the company.

The struggle has been keen, the "inside ring" giving evidence of a desperate fight to hold on to what had proved a rich vantage ground for years past.

For weeks and months THE FINANCIAL POST has advocated the complete overthrow of the element that had drawn upon itself widespread suspicion. To its support the past few days has come the new group; the men whom the prospective underwriters at last realized must be brought in to raise the mediocre standard of the company before investors.

These men, it is learned, have been careful of the company they were to keep; have insisted as a condition of their assent at all that an almost clean sweep be made of the old board, leaving a mere handful of three or four. For they realized the abyss into which Canada Steamship Lines had been thrust down in the past few years.

One problem, it would appear, is worrying them still: that of the general manager; the real operating man. They recognize, as THE FINANCIAL POST has insisted right along, that J. W. Norcross has made himself an impossibility as president; that he has lost caste through his creation and participation in the inter-locking of directorates that has been dealt with for weeks past in these columns. And yet, they wonder who is to take his place.

It would be a thousand pities if they consent to a COMPROMISE that would leave him in as general manager. The case for his successor, surely, is not an impossible one. Imagine what calamity would happen if he were to resign voluntarily at any time! Could anything—or anyone on earth—prevent that company from forthwith plunging down into insolvency? The idea of his separation from the company seems in sane circles to be received with a feeling of helpless dread. Surely it is not so bad as that.

The time to make a clean job of this rather muddy affair is right now. The suggestion that with a strong executive in office—on guard—the trafficking for personal gain must cease. That W. H. COVERDALE, for instance, the New York engineer, suggested as president or chairman, would, like a former premier of Canada, guard the treasury by sitting upon it. Is not the suggestion in itself a confession as to the past and present condition of affairs? Does it not, likewise, provide an infallible guide as to what should be done now—the clean-up should be COMPLETE; the only kind that will satisfy the public; the only kind that will rehabilitate the company in public esteem.

Otherwise, the re-organization will be only a FARCE.

Otherwise, the FIGHT FOR DECENCY, for a HIGHER STANDARD in corporation control will have only begun.

If so, so be it. We—and the vast majority of the best class of investors—will accept the challenge.

CANADA'S TRADE UP BALANCE IN ADVERSE

Total is $138,000,000 for March—Imports $19,000,000 More Than Exports

From Our Own Correspondent

OTTAWA.—The trade returns for the month of March are favorable in the sense that they show a considerable increase in the total amount both of exports and of imports, but the imports show a more rapid growth than exports, so that the unfavorable balance for March exceeds $19,000,000, where in the month of February it was only a little over $8,000,000. Taking the total trade for the month of March the amount was over $138,000,000, an increase of over $38,000,000 compared with February and $41,000,000 compared with January.

The total Canadian trade for the twelve months ending March 31, 1922, that is the fiscal year, was $1,501,689,993, almost $1,000,000,000 less than the total in the previous twelve months which was $2,450,553,175.

	March	February.
Imports	$79,337,378	$54,294,255
Exports	59,539,313	46,046,449
Adverse bal. . . .	$19,198,065	$ 8,247,806
Total trade . . .	$138,876,691	$100,340,704

ONTARIO FARM CREDITS

Over Half a Million Dollars Advanced By Province

According to the administrator, A. G. Farrow, the Ontario Agricultural Development Board has placed on long term loans to farmers a total of $571,570 and an additional $25,000 in short term loans. Some three thousand applications have been received, but many of these did not comply with the terms of the act and others could not be dealt with until the formation of local farm loan associations. It is explained that seventy-five per cent. of the applications are for loans for building purposes. And most of the others are for buying land. An occasional loan is to pay off existing encumbrances, as loan companies to renew are demanding 7½ per cent. The board sells its bonds to the province for 5 per cent. and lends money to the farmers at 6 per cent.

There are no indications as yet as to the success of the Government Savings department but the organization is being steadily extended under the direction of M .E. MacKenzie, an experienced bank man.

MAY DIVIDENDS

Banks	$ 474,644
Industrials, etc.	2,160,654
Utilities, etc.	1,396,713
Bond Interest	36,500,469
Total	$40,532,480

BANKS

Bank—	Rate	Amount
Imperial	3+1q	$280,000
Nationale	1½q	30,000
Standard	3½q	140,000
Sterling	2q	24,644
		$474,644

INDUSTRIALS, ETC.

Company—	Rate	Amount
Amer. Salesbook, pref. .	1¾q	$ 53,782
Brit. Emp. Steel, 1st prf.	1¾q	349,125
Canada Cement, pref. .	1¾q	183,750
Can. Converters . . .	1¾q	30,335
Coniagas Mines	2½q	100,000
Dominion Bridge.. .. .	1 q	65,000
Dominion Coal, pref. ..	1¾q	52,000
Dominion Steel, pref. . .	1½	105,000
Famous Players, pref. .	2 q	100,000
Int. Nickel, pref.	1½q	133,689
King Edward Hotel, pref.	4 s	88,000
K. Ed. Construction, cm.	5 s	85,000
McIntyre Mines	5 q	182,010
Monarch Knitting, pref.	1¾q	13,125
Murray Kay, pref.	1¾q	17,500
Ontario Steel Prod., com.	2 q	15,000
Do., pref.	1¾q	13,125
Penmans, com.	2 q	43,012
Do., pref.	1½q	16,125
Producers & Refiners, p.	1¾q	51,832
Russell Motor, pref... .	1¾q	21,000
St. Lawrence Flour, com.	1½q	18,000
Do., pref.	1¾q	10,062
St. Maurice Paper	1¼q	98,748
Steel of Canada, com. .	1¼q	201,250
Do., pref.	1¾q	113,684
		$2,160,654

UTILITIES, ETC.

Company	Rate	Amount
Cape Breton Electric, pf.	3 s	$ 7,020
Cedar Rapids	¾q	66,750
Kaministiquia Power ...	2 q	44,000
Mont., Light Heat, Cons.	1¼q	805,943
Montreal Power	2 q	376,000
Montreal Tramways . .	2½q	97,000
		$1,396,713

BOND INTEREST DUE IN MAY

Company	Int Rate	Dut	Amount
Belding Paul	5	1936	$ 13,982
Dominion Coal	5	1940	142,625
Brompton Pulp . .	6	1935	35,790
Do.	8	1941	100,000
Canadian Salt..	7	1941	12,000
Mattagami Pulp	6	1937	53,550
Do.	7	1949	75,000
Montreal Cotton	5	1944	16,360
Penmans	5	1926	50,000
Price Bros.	5	1940	124,450
Provincial Paper . .	6	1940	15,150
Spanish River Pulp..	8	1941	100,000
Whalen Pulp	6	1934	102,000
Do...	7	1932	160,750
Granby Cons. Mining	6	1928	44,742
Do.	8	1925	100,000
			$1,092,399

UTILITIES

Company	Int Rate	Dut	Amount
Niagara Falls Power	6	1950	$120,000
Brazilian Traction .	6	1922	225,000
Duluth Sup. Traction	5	1930	62,500
Do., ...	5	1930	25,000
Porto Rico Railways	5	1936	62,437
Do.	5	1962	25,792
Cuba Railroad	5	1960	100,000
			$620,729

DOMINION OF CANADA

Company	Int Rate	Dut	Amount
Victory Loan ..	5½	1923	$ 5,359,249
Do.	5½	1933	13,284,733
Do., ...	5½	1924	2,895,460
Do., ...	5½	1934	13,247,899
			$34,787,341

TENDERS WANTED

CITY OF TORONTO

$6,286,000 SERIAL BONDS

Sealed tenders, endorsed "Tender for City of Toronto Bonds," addressed to C. Alfred Maguire, Esq., Mayor and Chairman of the Board of Control, will be received by the undersigned until 12 o'clock noon, Monday, 1st May, 1922, for the purchase of $6,286,000 bonds issued for various purposes, under several by-laws, and due 1922-1952 (approximate average maturity of the whole 15 years).

Full details as to the purposes for which the bonds are issued, and amounts maturing annually, together with financial statement of the City, will be furnished on application.

The legality of the several issues has been approved by Mr. J. B. Clarke, K.C., Toronto, and his favorable opinion will be engraved on each bond.

The bonds are an obligation of the city at large, are issued in coupon form, with provision for registration of principal, and are of the denomination of $1,000.

They are payable, both as to principal and interest, in Toronto, and bear interest as follows: $1,803,000 at the rate of 6%, $2,920,000 at 5½%, and $1,563,000 at 5% per annum, payable half-yearly.

Engraved bonds will be ready for delivery on or about May 15th, 1922. Delivery and payment with accrued interest are to be made at the office of the undersigned.

Tenders will not be received for any part, but must be for the entire issue.

A certified cheque, payable to the undersigned, for 2% of the par value of the bonds tendered, must accompany the tender.

Tenders specifying for bonds other than those herein described, or containing conditions varying from the above, will not be considered.

The right is reserved to reject any or all proposals.

GEO. H. ROSS,
Commissioner of Finance.

Treasury Department,
City Hall, Toronto, Canada, April 25th, 1922.

Province of NEW BRUNSWICK

Tenders will be received until May 6 for

$2,300,000

of Debentures dated May 15

Particulars furnished on application

PROVINCIAL TREASURER

Box 540 FREDERICTON, N.B.

TOWN OF NORTH BAY

Debentures for Sale

Sealed tenders will be received by the undersigned up to and including the 1st day of May, 1922, for the purchase of the following issues of debentures of the Town of North Bay:

(1) $131,900 Local Improvement Debentures for street paving, bearing interest at the rate of six per cent. per annum, repayable in twenty equal annual instalments of principal and interest.

(2) $46,019 Local Improvement Debentures for sanitary sewers, bearing interest at the rate of six per cent. per annum, repayable in twenty equal annual instalments of principal and interest.

(3) $37,518 Local Improvement Debentures for permanent sidewalks, bearing interest at the rate of six per cent. per annum, repayable in ten equal annual instalments of principal and interest.

Delivery to be made at the Royal Bank of Canada, North Bay.

The highest or any other offer not necessarily accepted.

WM. N. SNYDER,
Clerk.

The Bank of Toronto

Dividend No. 163

Notice is hereby given that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. Per Annum, upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the First Day of June next to Shareholders of record at the close of business on the 10th day of May next.

By order of the Board.

THOS. F. HOW,
General Manager.

The Bank of Toronto, Toronto,
April 26th, 1922.

WINNIPEG ELECTRIC

The earnings of the Winnipeg Electric Railway Company for the month of March and for the three months of the present year show a fair increase over those of the previous year although the growth is smaller. The figures are as follows:

	March 1922	1921	Inc.
Gross	$472,509	$504,624	*$32,114
Op. Exp. & Tx	346,410	389,948	*43,538
	$126,098	$144,675	$ 11,423
Fixed Charges	60,682	58,593	2,089
Net divisible Income.. ..	$ 65,416	$ 56,082	$ 9,334
Three months ending March 31:—			
Gross . .	$1,455,787	$1,487,578	*$31,791
Op. Exp. and Tax	1,057,592	1,123,664	*66,072
	$ 389,194	$ 363,914	$ 34,280
Fix. charges	181,574	182,714	1,140
Net divisible income .	$ 216,620	$ 181,199	$ 35,421

*Decrease.

City of Prince George, B.C.

Tenders for Bonds

Tenders are invited for the purchase of the following bonds:

Streets Improvements, $20,000.00, 10 years; Waterworks, $14,000.00, 15 years; dated 3rd January, 1922. Denominations $500.00. School Construction, $10,000.00, 15 years, dated 1st June, 1921. Denomination $500.00. Coupons attached. Interest 6% payable half-yearly at Royal Bank, Prince George, B.C., Vancouver, B.C., Toronto, Ont., New York and San Francisco, U.S.A.

Sealed tenders will be received up to 5 p.m., 18th May, at the City Hall, Prince George, B.C., and will be opened at regular meeting held that date.

This Council shall not be obliged to accept any tender.

D. G. TATE,
City Clerk and Treasurer.

Tender for Debentures.

Sealed tenders, marked on the outside "Tender for Debentures," will be received by the undersigned up to Monday, May 1st, 1922, for an issue of Town of Campbellton 35-year 5½ per cent. debentures of $90,000.00, in denominations to suit purchasers, dated June 1st, 1922, interest payable half-yearly at the office of the Town Treasurer, Campbellton, N.B.

JOHN T. REID,
Town Clerk.

DEBENTURES FOR SALE

Tenders will be received by the undersigned up to twelve o'clock noon of the 12th day of May next (1922) for the purchase of the debentures of the Corporation of the County of Renfrew for $200,000.00 for improvement of their highways, payable in twenty years from the 6th day of May, 1922, bearing interest at 6%, payable yearly. Debentures issued in $1,000.00 and odd amounts, payable yearly during the term. Debenture contains provision for registration.

No tender necessarily accepted. Have envelope marked "Tender."

Dated the 24th day of April, A.D. 1922.

R. J. RONEY,
County Clerk,
Pembroke, Ont.

Tenders for Debentures

Tenders will be received up to Wednesday, May 3rd, at 7.30 p.m., for $15,000.00, 6%, 10-year instalment debentures of the village of Fergus, Ont. Address

H. GIBSON,
Municipal Clerk,
Fergus, Ont.

PUBLICATION OFFICE: TORONTO, APRIL 28, 1922
Featuring Banking
THE FINANCIAL POST
The Canadian Newspaper for Business Men and Investors
Special Section 17-24 Special Section 17-24

PRACTICAL SUPERVISION OF BANKS BY AN OFFICIAL OF THE GOVERNMENT MAY FOLLOW MERCHANTS BANK AFFAIR

One of the Suggestions Being Made in Connection With the Revision of the Bank Act Next Year

WHY NOT HAVE FARMERS ON THE BOARDS?

Western Manager Makes This Suggestion—Another Practical Point Made is That Chief Executives Should be Trained Bankers—Trial of Merchants Officers Likely to Bring Valuable Information

THE decennial revision of the Bank Act will come before the Parliament of Canada at its session next year, but already a "certain liveliness" exists on the subject not only at Ottawa but elsewhere throughout the country. There are rumblings here and there that drastic amendments are to be presented, some of them going to an extreme in the direction of Government supervision. Needless to say, on general principles, bankers are opposed to Government interference with the operation of the banks, at least that measure of it that might savor of paternalism, or a sort of partnership in management that is repugnant to any type of experienced business or financial man.

Perhaps the general attitude on the subject at the moment is expressed by the statement of one of the most prominent of Canadian bankers to THE FINANCIAL POST. He writes:

"I need scarcely say that the Bank Act as it now stands is the outcome of the experience and best judgment of able bankers and legislators who have controlled the finances of Canada during the past 17 years.

"Speaking for myself, and having in mind Canadian conditions and requirements, I do not know how the Act can be materially improved. It does not follow that the Bank Act has proven to be defective because of the Merchants Bank affair. No form of legislation will prevent incompetent or improper management from wrecking an institution. The provisions of the Act as it now stands are adequate to punish dishonesty or negligence, and it might be well to await the outcome of proceedings now pending before reaching any conclusion in the matter."

That the Merchants Bank case rather shocked the equanimity with which business men viewed the practical working of the banking system in Canada may be taken for granted, and in the main these undoubtedly are hoping that the present trial, and any other that may be instigated by shareholders in case the present one does not go into the case sufficiently deep to satisfy them, will reveal the Bank Act as sound and adequate in the main, and the banking system as the one most fitted for the economic conditions of this country.

There is a tendency among bankers, general managers, presidents, and others, in discussing the present situation, to hold that no system can be invented that will provide against a weakness in the personal element. A suggestion has come, however, from a banker of wide experience who is in a peculiar position to draw deductions from the working out of the present system in an impartial but intelligent manner. He is quoted elsewhere in this issue in an article on "call" loans where he urges that "one competent banker" should be retained by the Finance Department to give some of his time to looking into things at head offices to check up. He infers that head offices can be counted on to do their own checking up of branches, and this is generally assumed in any discussion of the subject, and records of losses and failures bear out this assumption.

No Check on "Investments"

This banker goes on to make the statement that all bank failures within his experience have been caused by loans on securities and not losses through commercial loans. This statement is challenged by a number of bankers, but it is assumed the statement covers the "investments" of banks and has reference among other losses and failures to that of the Sovereign Bank which went down chiefly as a result of heavy investments in the Alaska Railway. This was in no sense, of course, a call loan, but an "investment" by the bank. These investments of its own funds are not restricted by legislation as are those of the insurance companies, and this in itself might be worthy of consideration when the revision of the Act is under way.

This banking man at Ottawa, a "banking commissioner," perhaps he might be termed—could inspect some of a bank's big commercial credits as a precautionary measure, as well as keeping tab on heavy, and apparently excessive call loans. Thus, probably, the monthly returns might not be practically useless as they have been in the past, mere papers to rest in a filing cabinet.

Perhaps the appointment of such an official would result in changes in the return forms. The case of the loan companies in Ontario might be cited. They were submitting voluminous reports under the Act but these reports told nothing. In fact they were so voluminous that they served to hide rather than reveal the weaknesses of the companies. Now the statements are out in practical form and they are handled by a man who knows something about the conduct of trust and loan companies. Through his manner of handling things several of the weaker companies which gave promise of going to the wall have been greatly strengthened.

The nature of the "shareholders' audit," as it is termed, is naturally a topic that has stirred up considerable discussion. There are those who claim that the fault lay with the auditors of the Merchants Bank; that had they delved into the relation between the bank and its call loans and its commercial loans, they would long ago have detected the heavy losses that had been incurred, and found that some of the companies were virtually insolvent. In any case that the real condition of the bank would long ago have been revealed in time to save millions subsequently lost.

Here is what another general manager has to say on the audit, and the suggestion for a government audit.

"I have nothing to fear from it, but I am not in favor of Government audit. I think it is a sham protection, and has not prevented 319 banks failing in the United States last year. The present Act has some very excellent provisions as to shareholders' audit, and if the penalties are looked into in connection with a recent case, I think they would be found to be sufficiently drastic."

A consideration of the present audit with a number of head offices leads to the conclusion that there are widely varying types of audit, some covering the ground much more in detail than was done in the case of the Merchants. Views of managers differ greatly as to whether the Merchants Bank audit was or was not in accordance with the Bank Act as it exists to-day. The view of one banker, of national standing, is, that the Act does not call for a strict enough audit; certainly not one he would be satisfied with in his own bank. He distinguished between the theoretical one as laid down by the Act, and the practice in his own bank thus:

"The Bank Act, in defining the duties of shareholders' auditors, seems to stop short at the verifying of the lists of assets, the amounts of call loans, the existence of securities to tally with the bank's statement, and so on. In call loans all that seems to be required is for the auditors to verify the books and see that there are 750 shares of this security, and 1,500 shares of that, and pass on. It does not appear to be their duty to go behind this checking up and ascertain whether the value set down by the bank for these 750 shares and those 1,500 shares is the proper one or not; whether, in fact, the condition laid down in the Act to value them under the market value is being observed. At least the mere checking up appears to be a common practice.

"We would not accept any such audit, but pay the auditors a much larger amount to valuate the securities as well, and thus the directors and shareholders have a check on the work of the management. In the case of the Merchants Bank this would not appear to have been done.

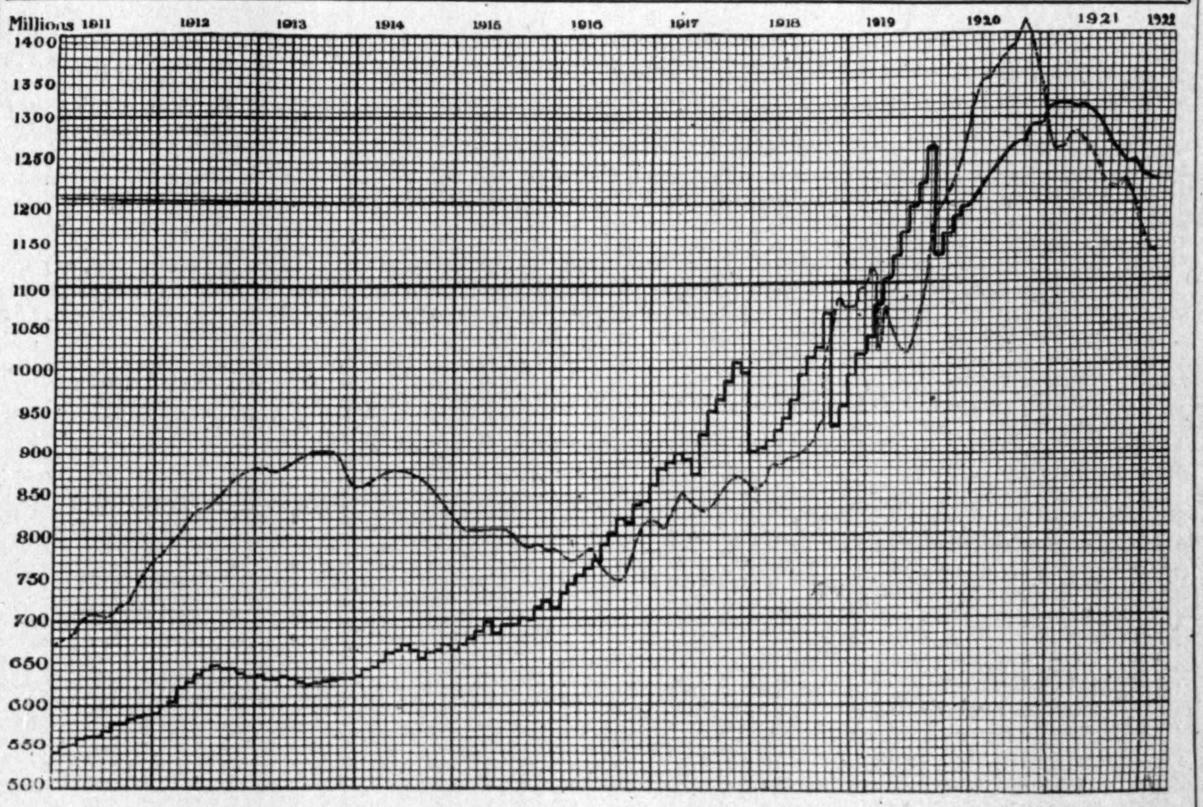
"Then in commercial loans a close checking-up is carried on by the auditors, on all loans exceeding $10,000."

Here, then, would appear to be another point that might be investigated in connection with the shareholders' audit, for the failure to check over the values attached by the management to securities accepted as collateral for all loans makes the credit pretty much of a farce. A mere mechanical contrivance in fact.

Some time ago a bank man brought forward the suggestion at Ottawa that the auditive of banks for the most part should be in charge of a Board of Audit, composed of former, experienced bank men, say ex-mana-

(Continued on page 28)

CURRENT LOANS AND SAVINGS DEPOSITS OF CANADA'S BANKS



The continued contraction in business during the past year has been reflected in reduced requirements in current loans (light line). The latest bank statements indicate some expansion of loans again but this might be regarded as either a definite change or a seasonal expansion similar to that which is indicated as occurring a year ago. Savings deposits (dark line) have shown almost continuous reduction. It will be noted from the chart that after current loans reached their peak—the limit of good times—towards the end of 1921, savings continued to increase for a time. This is the usual effect of hard times, because people conserve their funds, but eventually continued depression has its effect in that with reduced incomes reserves are called upon. It is interesting to note too that whereas before the war current loans were many millions more than savings deposits, savings deposits are now larger than loans and total nearly double what they did when the war broke out.

Savings Deposits Still Indicate Big Buying Power And Plenty Money For Sound Business

Current Loans Before War Were About $250,000,000 Higher Than Savings Deposits But Are Now Some $50,000,000 Lower—Producer and Consumer Must Get Closer Together

A SURVEY OF the banking situation in Canada does not indicate that business is suffering from any shortage of bank funds but that the depression is rather due to a situation in which, owing to lack of adjustment between the buying power of the people, principally the farmers, opportunities are limited for "carrying on" industrially and commercially on a profitable basis. It may be pointed out for instance that, whereas in 1913, before the war, current loans were about $250,000,000 larger than bank deposits, 1921 and 1922 find that deposits, despite a considerable decline from the high mark, are some $50,000,000 greater than advances for commercial credits. Also it is interesting to note that in total number of dollars the savings deposits are still about double what they were in 1913. All of which seems to warrant the conclusion that the banks are not short of money and are in a position to finance sound business ventures when it can be shown that they can be carried out with a reasonable chance of showing a profit. To bring this about seems to still require further adjustment in the direction of reducing production costs, particularly labor, and increasing profitable income in such fundamental industries as agriculture.

The following summary of savings deposits and current loans indicates the trend of changes since the outbreak of the war:

	Savings	Loans
Aug., 1914	$ 659,399,151	$ 836,574,099
Aug., 1915	692,580,626	758,342,735
Aug., 1916	806,774,687	739,938,513
Aug., 1917	952,591,821	836,429,670
Aug., 1918	1,014,711,865	920,775,269
Aug., 1919	1,196,632,931	1,011,785,424
Aug., 1920	1,261,647,732	1,385,470,153
Aug., 1921	1,279,830,731	1,226,467,704
Feb., 1922	1,231,349,001	1,143,538,489

A Year's Changes

1921	Savings Deposits	Current Loans
April	$1,313,832,514	$1,281,145,047
May	1,315,282,372	1,271,619,731
June	1,308,778,473	1,256,642,883
July	1,295,228,768	1,237,093,871
August	1,279,830,731	1,226,467,704
September	1,263,763,852	1,239,637,351
October	1,251,323,839	1,243,748,818
November	1,252,227,394	1,210,101,634
December	1,240,807,268	1,174,053,434
1922		
January	1,233,208,401	1,138,151,455
February	1,231,349,001	1,143,538,489

As indicated in the accompanying chart, the banks have followed a policy of curtailing commercial credits since the peak of the post-war boom in 1921. At that time current loans were about $100,000,000 greater than savings deposits. However, before the end of the year they had dropped below savings and have continued to decline. Savings were not affected for some months, in fact, they continued to expand—as is often the case in a period of depression when the average person is inclined to increase the bank balance; however, as the period of dull times extended with attendant decline in buying power reserves have been called upon.

The fact that savings deposits today are still nearly double what they were before the war is a significant indication of the buying power of the people. In fact when the decline in prices since the peak is taken into consideration, that buying power in terms of commodities would seem to be greater now than at any time during the war boom. The situation is of course that current income has been materially reduced with farmers and wage earners and current buying has been curtailed, but it should not be overlooked that the position of the people with incomes from investments has at the same time improved and that the deposits indicate that as soon as there is a readjustment to bring about incomes to the individual with satisfactory buying power for current purposes, there will be a tendency to spend more freely of the reserves indicated by the bank deposits and this will undoubtedly be noted in an enlarged demand for articles and goods which are not included in the necessities to which many people are now largely confining their purchases.

During the year too there has been substantial improvement in the situation as regards frozen credits. This however, is in Eastern rather than Western Canada. In the West a great many farmers did not get sufficient income from the harvest to carry them through the winter and put in a new crop this spring, let alone pay anything on principal or even interest on their advances from the banks. When it is considered that this applied to loan companies and to current commercial obligations as well, it can readily be understood much capital is still tightly frozen. In other parts of Canada stocks in the hands of retailers and wholesalers have to a large extent been liquidated. This has not been due so much to increased buying power on the part of the public as to a somewhat better sentiment and to the fact also that manufacturers have begun to feel the benefit of such buying as has been going on and as the surplus stocks on the shelves have gone into consumption.

Looking forward it would seem that the banks are not only in a position to finance sound industrial expansion where justified by conditions but also to meet the legitimate demands of the farmers for credits to carry them through to another harvest.

Put Farmers on Bank Directorates

By a WESTERN BANKER

A review of the various bank directorates both present and past will disclose the fact that many of the presidents of the chartered banks of Canada have been men who have not been trained bankers. The presidents of the Bank of Montreal include as you know such men as Mr. King, R. B. Angus, Sir Edward Clouston and Sir Vincent Meredith, all of whom were bankers of long experience and prior to their appointments as President of the Bank occupied the position of general manager for several years. In the Bank of Commerce the presidency passed to Sir Edmund Walker in 1907 and during the time he has occupied that position the Bank has had the benefit of his long and successful banking experience as has the Bank of Montreal during the years their presidents above mentioned held office. In view of the success which has attended these two institutions under the presidency of their former general managers it would seem to me to be a wise condition attaching to the appointment of bank directorates that the president should at least be a trained banker who should give his whole time and attention to the business of the bank as its president.

A further advantage of such an arrangement as this would be to increase the rewards in the banking profession which are already all too few as compared to other businesses and professions by placing within the reach of those embarking on a banking career the prospect of ultimately becoming a bank president. Under present conditions a general managership is the highest objective to which a professional banker can obtain.

During the past few years the volume of criticism directed against the banks and the banking system in Canada—much of it badly aimed—on the part of farmers and farmers' organs has been increasing. One remedy for this would appear to lie in the banks' own hands. We have not seen a desire on the part of the banks to include farmers in their boards of directors and since the action of the Provincial Governments is directly due to the attitude of the farmers towards the banks undoubtedly a much better feeling would have been generated had the farmers been taken into some of our bank directorates and given an opportunity to have a voice in their operations.

RAPPING FAMOUS SECTION 88 OF THE BANK ACT

English Manufacturers Say it Permits of Secrecy and Loss

NATURAL PROTECTION

Banks Claim and Seldom Works an Injury—A Protest from Bradford—Merchants Bank Echo

THE RAMIFICATIONS of the Merchants Bank case have stirred up discussion along many lines in this country and this discussion has extended to England and the United States. Reference has been made before to a legal suit that has been launched by a firm of manufacturers in Nottingham, England, against a firm manufacturing ladies' wear in Canada, and also against the Merchants Bank, either to recover an amount of some $11,000 for goods which had been supplied this Canadian firm, or to have goods returned. The basis of this claim has brought Section 88 of the Bank Act into prominence. This section allows a bank to take a lien on goods in a warehouse as security for a loan made to the holders of the goods. In the case of the Merchants Bank the bank was given a lien on one group of goods amounting to over $40,000 and advanced money against these goods but the manufacturers who supplied the goods were never paid for them. In spite of that they are finding it difficult to collect anything on the purchase price of the goods, as the bank's lien gave it a prior claim.

In this particular case the trial may show that the section of the Bank Act is not at fault. This is the general stand taken by Canadian bankers who have been consulted in reference to this case and to others. The charge made in connection with the claim of the Nottingham firm declares that the bank itself knew that the firm was insolvent and that the goods were ordered and handed over to the bank in order to lessen its losses. The assumption made is that there was fraud in connection with the transaction, and that the bank did not act in good faith.

A very interesting comment from the standpoint not of the Nottingham manufacturers but of another great centre of English industry, the woollen trade of Bradford, reached this country recently in the form of an article in the Yorkshire "Evening Post," a paper that has wide circulation in the west riding of Yorkshire, which is itself the centre of the woollen industry in Great Britain. In this case a Bradford house had a balance of £5,000 owing it by a Canadian firm, but this firm went into liquidation, the bank exercised its lien, took possession of goods, the Bradford firm received nothing in payment. Otherwise it might have received, it is claimed, at least 50 per cent. of the amount owing to it for these goods.

Clause No. 88 of the Bank Act which covers the point reads as follows:

Section 88 of Bank Act

"The bank shall by virtue of such security acquire the same rights and powers in respect of the products, goods, wares, and merchandise, stock or products thereof, or grain covered thereby, as if it has acquired the same by virtue of a warehouse receipt; provided, however, that the wages, salaries, or other remuneration of persons employed by any wholesale purchaser, shipper or dealer, by any wholesale manufacturer, or by any farmer in connection with any of the several wholesale businesses referred to or in connection with the farm, owing in respect of a period not exceeding three months shall be a charge upon the property covered by the said security in priority to the claim of the bank thereunder."

The English paper in entering a protest against this section, says in part:

Where Loans Become Known

"In effect, this clause gives a bank which has advanced money, or allowed an overdraft, preferential creditors' rights, which it is contended, ought not to exist in the absence of the debenture holding arrangement which is common in this country when bank loans to business men, and which, of course, becomes known publicly through the usual business sources.

Secretly, and Then Force Liquidation

"It would appear that under Canadian law a bank may advance money secretly to a firm, and may decide to force liquidation when it is in the position of having a lien upon the goods in the possession of the firm affected by its action—goods which need not necessarily have been paid for.

Bank Experienced its Lien

"A Bradford house recently had a balance of nearly £5,000 owing to it by a Canadian firm, long established and of good reputation. News has been received that the firm has gone into liquidation and that a bank, exercising

DO "CALL" LOANS NEED CHECKING BY EXPERIENCED BANK OFFICIAL AS INSPECTOR FOR GOVERNMENT?

Huge Losses in Merchants Bank Case, However, Very Unusual—In General "Call" Loan Losses Small—Large Portion Used for Bond Houses

MUCH STRICTER; MANY STOCKS ELIMINATED

Experience Shows That Bank Failures in Canada Have Usually Been Due to Unsound Loans on Securities Rather Than for Commercial Purposes—Details of Call Loans Should Result in Greater Care and Judgment

By H. H. BLACK, Associate Editor, The Financial Post.

THE relation of the banks to "call" loans in Canada, in view of a recent disastrous example has aroused a certain uneasiness among shareholders, that, in the main is unfounded. As is natural, this has become one of the topics suggested for consideration in the coming revision of the Bank Act. Again, as is natural, the suggestions usually take the line of some form of Government inspection, that shall investigate, periodically, the securities behind these loans, to determine whether the brokerage house is operating on what amounts to an "overdraft."

To come to a direct instance a statement of a banker of long standing to THE FINANCIAL POST will be quoted. Here, however, the point he makes broadens out to a consideration of the "investments" of banks, a distinct type of employment of banking funds. He says in effect:

> One competent banker retained by the Finance Department to give some of his time to looking into these things at the head office of each bank, could keep things straight. After all, there are only a few head offices to check up, and so far as anything we have been able to see from the past the head offices can be trusted to check up the branches under their own inspection system.
>
> If there had been some one in they Department of Finance at Ottawa who would have taken the monthly reports of the Merchants Bank, looked them over, and then, after inquiring as to the size and the amount loaned in one direction, taken a train for Montreal to check over the securities behind these loans, the real condition could not have been covered up as long as it was.
>
> Then, to take a step further. Have the banks periodically, once or twice a year, make a private report to the Department as to what is behind their call loans, and have someone with a practical knowledge of the subject check them over. The list would not have to go to the public, but if the banks thought someone was going to check up their securities they would be more careful regarding loans.
>
> Let me enforce what I have said by this statement: **All the bank failures within my experience have been caused by loans on securities and not commercial loans.**
>
> However, even supposing that the difficulty had been with commercial loans, why could not such a banking commissioner referred to—with only a few head offices to look over—inspect the big commercial credits? Such a man would quickly have detected what loans had got the Merchants into trouble.

Two Groups as a Defense

This view then, calls for an expert banker to be attached to the finance department and check up the "call loans" department of the various banks. It will be generally held that at all events this feature of the Merchants Bank was fundamentally and extraordinarily weak. Some bankers counter the suggestion of a Government inspection with the President and active directors, as one group, and the shareholders' auditors as another, that should have detected and forced a remedy of this weakness. Their own banks, they claim are afforded a protection, not one but both. Hence Government protection against weak management is not required.

What is Shareholders' View?

And yet the tendency of the average shareholder would be to assume that the exceptional case—of weakness and no protection—is the rule, or at least that it must be figured as such and adequate precautions taken as if it were.

Huge Loans Not Usual

In fairness to Canadian banking it should be pointed out that the Thornton Davidson call loans and credit at the Merchants Bank were exceptional; were far removed from ordinary practice; probably could not be duplicated in the case of another bank or another account. It was extraordinary first in the huge sums advanced to a single brokerage house—$4,000,000 to $5,000,000; it was extraordinary also in the unstable nature of the main securities that were accepted as collateral: securities that, in three cases, and the chief ones, were being manipulated for speculative purposes far above their real value, and all of which since have passed their dividends, and in two instances fallen upon very difficult times.

This does not imply that certain banks do not favor certain issues that other banks resolutely refuse to accept as collateral, and either one may be right. The one that accepts it may do so intelligently, knowing the company's real condition, and developments may justify it thoroughly. Or the precautionary rejection by the other may afterwards be borne out by facts.

Futile to Single out "Call" Loans

Another banker of even wider experience in a managerial capacity, was opposed to this suggestion of Government inspection of call loans as ineffective. This banker has strong faith in personality rather than the system. Efficiency combined with trustworthiness appeals to him as infinitely superior to Government inspection. And for this reason, as he expressed it:

"If the Merchants Bank case—where the heaviest loss in any single account was through call loans—induces changes in the Bank Act by which the Department of Finance should specialize in call loans, that would not avoid the trouble. If a banker was willing to make a loan that he felt would not pass inspection by the Government,—it would disappear as a 'call' loan, and be listed as a 'commercial' loan. There's no trick in that. He'd simply see to it that he did not 'shock' the Government inspector. If a banker or any other man will go wrong there's nothing will stop him."

Successful Banker's System

Perhaps the following account given the writer by still another banker of his method of determining call loans, may re-assure anxious shareholders, or contain a suggestion for others. The banker is of long experience and has never lost one cent for his office on call loans. He said:

"In the Thornton Davidson case we would not have advanced them more than $300,000 to $400,000. The size of the firm and their operations did not warrant any more. They were advanced ten times that amount by the one bank.

"Then again, the collateral was not up to the standard; it was below in quality and quantity of two or thre securities was far too great. Our regular practice is to limit our loans to any one firm; this lessens the risk to the bank, of course. Again we keep track of the total amount of any particular line of securities we hold, not only with an individual broker, but the total covering all our clients. If at any time we find we are carrying among the group of brokers more than a moderate amount of any one security—even the best—we ask them to remove some and substitute other securities as collateral. Otherwise a bank might gradually accumulate a quantity of stocks so inactive or dead that the last quotation would bear no relation to the selling price later.

"With the large margin the banks are exacting on all securities except high grade bonds there is really no reason why a bank should lose on call loans."

Demanding Larger "Margins"

This matter of generous "margins" being demanded on stocks by the banks is emphasized more now than ever before. From 20 to 30 per cent. is a common demand now, where formerly from 15 to 20 per cent. was an ordinary basis for a loan. Not only will the banks lend on a lower percentage basis, but the list of "taboo" stocks is increased greatly.

"The collateral for call loans has been very carefully scrutinized of late," said a banker, "and the result has been the elimination of a great many stocks that for years back had been regarded as good collateral."

Active and Convertible

The non-dividend paying stock is not necessarily rejected by the bank even now. In the olden days, before Dominion Steel common paid a dividend, it was considered as good collateral. Two of the reasons for this were: its activity and its convertibility, with little loss. It was proverbial that hundreds or thousands of shares of "Iron" could come out with only a fraction of a point advance or decline in the market. Montreal "Power," has always been a good stand-by on which to effect a loan. In the case of securities—common stocks—that have had heavy declines and have passed their dividends this past year or so, the banks often will not lend money. And they are certain to insist on a big margin, and also the inclusion of other higher grade stocks to "sweeten" the collateral. Indeed it is as a rule the "assortment" offered that determines the loan—that and the broker himself: this is one of the strongest factors, and rightly so.

What are Taboo?

Stocks that have been discredited are given a wide berth by the banks, and these and non-active ones must be financed by the broker himself, if he deals in them on margin. There is a natural preference for listed stocks over unlisted, as a quick market for the former is more likely. A bank must take care not to get "loaded up" with innegotiable collateral, in case a broker should get into difficulty and then these securities would represent their sole equity.

Rate Strong at 6½ p. c.

The current rate for call loans remains at 6½ per cent. There are a few cases where 6 per cent. money is available; some where a security or borrower makes 7 per cent. necessary. The rate went up in July 1920 from 6 to 6½ per cent. after resting at the former figure for years, and there is no sign of a drop to 6 per cent. again.

Not Likely to Drop

Why should there be? That is the question the banks ask. Money in Canada is not particularly "easy." New York is an exception: and a few other "Federal Reserve" centers. In the metropolis there is a surplus of temporary money, floating accumulations. But it is felt that if there comes a strong revival in business the balances accumulated in New York will be drawn upon.

Call money in New York is down to 4% and even less, but that is real "call money," it can be drawn in on a few hours' notice. In Canada there is practically no "call" money loaned on the Street: loans are called and shifted, but especially if a large amount is involved, no sudden move is practicable. Hence the impossibility of comparing the present New York rate with that of 6½ p. c. in Canada. As a matter of fact "call" money in New York ran up to over 10 per cent. so that it is subject to wide fluctuations where the Canadian rate is not. A similar contrast applies to money for commercial loans.

Call loans reached a high point early in 1920, co-incident with the high mark reached in prices in the stock market, and since that time have shown a steady drop. The entire decrease in the amount utilized for stock market purposes is not covered by the actual decline, $5,000,000 as between June 1920 and June 1921, or $12,000,000 from January 1921 to January 1922. For to an increasing extent "call" money in Canada is required by bond houses as well, and by Victory bond loans to individuals or corporations. The floating of large bond issues means an immediate if only temporary call upon the bank for financing, and a large proportion of the total listed as "call" money never sees the broker's office. For years past "call" money has held a fairly close relation to the total of commercial loans, around 9 per cent. That is the case to-day. The relation to deposits is a natural one also, as these furnish the source of supply, running between 5 and 7 per cent.

Below appears a comparative list of call and commercial loans, and deposits in half-yearly periods since 1910:

	Call Loans	Com. Loans	to Com.	Deposits	to Dep.
Jan., 1910	63,945,000	590,984,000	10.8	746,630,000	8.5
June, 1910	61,598,000	649,145,000	9.5	797,000,000	7.7
Jan., 1911	63,983,000	677,064,000	9.5	825,000,000	7.8
June, 1911	61,507,000	717,869,000	8.6	874,671,000	7.0
Jan., 1912	71,283,000	775,972,000	9.2	813,783,000	8.8
June, 1912	62,292,000	848,940,000	7.3	1,004,817,000	6.2
Jan., 1913	71,376,000	874,705,000	8.2	989,518,000	7.2
June, 1913	68,642,000	899,260,000	7.6	985,697,000	7.0
Jan., 1914	71,248,000	908,776,000	7.9	975,146,000	7.3
June, 1914	67,401,000	838,276,000	8.0	1,018,658,000	6.6
Jan., 1915	66,154,000	770,118,000	8.6	998,000,000	6.6
June, 1915	71,168,000	758,349,000	9.4	1,032,681,000	7.1
Jan., 1916	82,584,000	758,500,000	10.9	1,101,266,000	7.5
June, 1916	87,355,000	740,040,000	11.8	1,211,321,000	7.2
Jan., 1917	79,737,000	806,479,000	9.9	1,291,469,000	6.1
June, 1917	76,085,000	839,355,000	9.0	1,350,199,000	5.7
Jan., 1918	76,239,000	855,506,000	9.0	1,460,014,000	5.2
June, 1918	76,970,000	897,226,000	8.6	1.515,261,000	5.1
Jan., 1919	87,598,000	1,080,340,000	8.1	1,613,919,000	5.5
June, 1919	95,852,000	1,043,712,000	9.2	1,745,496,000	5.5
Jan., 1920	132,015,000	1,226,962,000	10.8	1,784,705,000	7.3
June, 1920	115,272,000	1,365,151,000	8.5	1,903,323,000	6.0
Jan., 1921	112,474,000	1,264,490,000	8.9	1,897,119,000	5.9
June, 1921	110,775,000	1,256,642,000	8.8	1,870,972,000	5.8
Jan., 1922	102,630,000	1,138,151,000	9.0	1,720,361,000	5.9

What Banks Are For

By J. P. BELL,
General Manager, Bank of Hamilton.

In the Bank Act of Canada no attempt is made to define the functions of a bank. The act merely states "Any bank to which this act applies." This reminds me of the old riddle, "What is an archdeacon?" The answer, "One who performs archdeaconal functions."

The State of New York makes the plunge and gives the following definition in its banking statutes: "The term 'Bank' means any moneyed corporation authorized by law to issue bills, notes or other evidences of debt for circulation as money or commercial paper, and to make loans thereon, and to discount bills, notes or other commercial paper,, and to buy and sell gold and silver or foreign coins or bills of exchange."

All these functions are discharged by Canadian banks, but their value to the nation is greatly enhanced by the system of branches which enables the banks to gather and distribute money throughout the length and breadth of the Dominion, thus utilizing as far as possible the supply of loanable funds to meet the demand. Through the branch system money is constantly finding its level without undue restriction.

Some years ago, Sir Edmund Walker, president of the Canadian Bank of Commerce, to-day the dean of the banking corps, as well as an authority in the literature of the subject, very lucidly defined the requirements of a new country like Canada in the way of a banking system.

What is Required of Banks

What is necessary in a banking system in order that it may answer the requirements of a rapidly growing country, and yet be safe and profitable?

1. It should afford the greatest possible measure of safety to the depositor.

2. It should supply the legitimate wants of the borrower, not merely under ordinary circumstances but in times of financial stress, at least without that curtailment which leads to abnormal rates of interest and to failures.

3. It should possess the machinery necessary to distribute money over the whole area of the country, so that the smallest possible inequalities in the rate of interest will result.

4. It should create a currency free from doubt as to value, readily convertible, and answering in volume to the requirements of the trade.

There should be as complete a relation as possible between the currency requirements of trade and the cause which issues paper money, and, as it is quite as necessary that no over-issue should be possible, as that the supply of currency should be adequate, there should be a similar relation between the requirements of trade and the cause which forces notes back for redemption.

The first duty of a bank is to provide a place of safety for the depositor. That duty comes before the duty to its shareholders, and second only to the duty which it owes to its involuntary creditor the note holder. The losses to depositors through the failure of banks in Canada has been remarkably small compared with that of any other country in the world. The importance of this point is often lost sight of by people who regard a bank as simply as a concern from which to borrow money, rather than one in which to deposit.

People sometimes forget the service a bank renders in taking deposits. For example, a deposit may be made up of bank notes, coin, but in these days, largely all over the country, the risk of fraud and miscarriage, and particularly in paying out money on forged endorsement, is one ever before the banks. They take this mass of material, distribute it, and collect the money, and place the proceeds to the credit of the individual before they are repaid themselves. All this is done practically for nothing.

Established 1867

Capital Paid-Up $15,000,000

Reserve Fund $15,000,000

The Canadian Bank of Commerce

offers you

full banking facilities for the transaction of your business in Canada and abroad, including the sale of Drafts, Bank and other Money Orders and Travellers' Cheques.

We also deal in Foreign Bills of Exchange.

Head Office - - - - - Toronto

THE DOMINION BANK

HEAD OFFICE - TORONTO

ESTABLISHED 1871

Capital Authorized..$10,000,000
Capital Paid Up 6,000,000
Reserves ....$ 7,700,000
Total Assets, 31 Dec., 1921 131,300,000

BOARD OF DIRECTORS

Sir Edmund B. Osler, President
A. W. Austin, Sir Augustus M. Nanton } Vice-Presidents

Charles S. Blackwell, James Carruthers, R. J. Christie, Eric W. Hamber, H. W. Hutchinson, Wilmot L. Matthews, R. S. McLaughlin, W. W. Near, A. T. Reid, H. H. Williams

Branches and Correspondents throughout Canada and in all parts of the world. 32 Branches in Toronto

LONDON BRANCH: 73 CORNHILL, E. C. 3
NEW YORK AGENCY: 51 BROADWAY

At every Branch of this Bank a general banking business is conducted. Deposits are accepted, Loans made and Letters of Credit issued. Drafts on Foreign Banks bought and sold and direct transfers effected. Sales Notes, Collections, etc., negotiated.

C. A. BOGERT,
General Manager

"AGRICULTURAL BLOC" AT OTTAWA MAY MAKE DEMAND FOR FEDERAL BANKING AID TO AGRICULTURAL COMMUNITY

Strong Faction at Washington Has Been Able to Enforce its Demands on United States Congress

RESULTS IN TWO CANADIAN PROVINCES

Showing in Manitoba and Saskatchewan Has Not Been Encouraging—Too Early Yet to Judge Results in Ontario—U. S. Secretary of Treasury Believes That Governments Should Not be Bankers

WILL THE Dominion government follow the lead of at least two of the Provinces and embark upon the adventurous seas of banking to aid the farming community, as a class unit of the country? The prospect of an "agricultural bloc" developing at Ottawa, as arose in the United States, with the determination radically to alter Canada's national banking fabric is not as remote as some elements allow themselves to think. The agrarian agitation for a broader credit structure for the farmers has drawn more conclusively to a focal point consequent upon the political development of the farmers, and the imminence of the Bank Act's revision.

The question of agrarian tinkering with our national banking is one that numberless Canadians have been driven to ask themselves since the United States resurrected the Federal Farm Land Banks. Ever since commodity prices—and probably more particularly the values of farm products—began to decline early in 1921 the demand for some form of governmental credit for agriculturists has been insistent. In the United States the reduction made itself felt in Congress through innumerable rural credit proposals. In spite of its clearly enunciated program of restricting government interference in business—coupled with its desire to reduce government outlays—the Harding administration was compelled to rescue the Farm Lands Banks and to resuscitate the War Finance Corporation.

The Land Banks started on 1916 had been dormant for a year. The resurrected War Finance Corporation was ultimately authorized by the Senate to advance to banks and trust companies employed in financing agricultural exports, up to one billion dollars.

The American Situation

The American situation so far as government-sponsored rural credit measures are concerned interests Canadians for the reason that our own provincial banking and financing experiments were very largely inspired by the United States Federal Farm Loan Act of 1916. Canada unlike the United States has no national law under which to furnish advances to those engaged in agriculture, except of course as provided through the medium of the federally chartered banks with private capital. "The Canadian Banking Act, as it at present stands, admirably meets the conditions and requirements of this country and the needs of the people," is the expressed opinion of Clarence Bogert, while president of the Canadian Bankers' Association, adding: "This unfortunately, is more fully appreciated by financial experts in other countries than by many sections of the Canadian public."

Canadian bankers without exception contend that in the chartered banks alone ample banking machinery exists fully to finance all industry—including that of the soil—without governments experimenting, probably to their bitter cost. Canadian bankers point to a remarkable agricultural progress of the Canadian West from earliest pioneering days until agitation for more generous and government aided banking came to be advanced, as evidence of the broad scope of the chartered banks.

Banks and Agriculture

Ex-president Bogert of the Canadian Bankers' Association made the attitude of Canadian bankers clear in the following statement:

"The great part that has been played by the Canadian Banks in aiding and developing Canadian Agriculture and the marketing of Canadian farm products through their credit system, is well known and has been favorably commented upon by all agricultural countries in the world. It is a fact that in no section of this Continent have loans to farmers been upon a more favorable basis as to interest rates, than in Canada. It has been by reasons of the mobility of the Canadian banking system, gathering deposits where money accumulates and lending it where most needed, that the Canadian banks have been able to accomplish this result and we cannot without feeling of grave apprehension, view an innovation which must have a most serious effect upon the ability to obtain these deposits which are the life blood of business, upon whose continuous flow through the arteries of production, trade and commerce, the welfare of the whole Nation greatly depends.

"If Provincial Governments considered it necessary, which is very doubtful, to enact legislation under which advances are to be made to the farming community, no special exception could be taken by the Canadian banks, although they are undoubtedly able to supply all the needs of deserving borrowers. We are assured by one Government which has been in the farm loan business for a year or two that no losses have been made—losses cannot be ascertained until a real endeavor is made to collect debts."

Manitoba's Experience

Manitoba's experience with rural credits has not been particularly cheering. Hon. Edward Brown who as provincial treasurer in 1917 put Manitoba's rural credits into operation has steadfastly refused to acknowledge actual loss of loaned funds but in the last session of the provincial legislature he was compelled to admit that there is no likelihood of the Rural Credit Societies functioning on a self-sustaining basis in the near future. Approximately $50,000 has been taken from the provincial treasury in the last two years for administrative purposes. Admitting the inability of Manitoba's Rural Credit Societies to operate on a strictly business basis and without continued "pap" from the public purse the contentions of experienced Canadian bankers appear fully vindicated. When the Provincial Treasurer broke with the chartered banks he did so on a question of rates. Canadian banks were always prepared to lend to the Rural Credit Societies at a reasonable rate or to provide the Government with the necessary funds at a low rate. But Canadian bankers declined to have the rate fixed at six per cent. during a period of high money. Canadian bankers took the attitude that a farmer should not hope to borrow from a bank for a short term at a lower rate than a loan company charges, particularly when the latter has mortgage security and spreads the loan over a term of years.

Saskatchewan's Problems

In Saskatchewan there has been no legislation for short term farm credits. However the Saskatchewan Farm Loans Board from its inception in 1918 until the close of 1921 had loaned over eight and a half millions of dollars compared with the $27,196,000 applied for. Alberta has a Farm Loan Act but it has never been put into operation, and judging from the recent action of the farmer administration at Edmonton in withdrawing the "Cow Bill" it would appear that the agrarian government is none too strongly wedded to the idea of government-sponsored schemes for financing farmers. Alberta's Co-Operative Credit Act embodies the principles of Manitoba's Rural Credits Act, with one fundamental exception, that the rate of interest is not a fixed and uniform rate for all but is determined by agreement in each case between the rural credit society and the lending bank. Ontario's rural credit machinery went into operation this year along the plan that Manitoba adopted with provincial savings banks—more properly "offices"—as the government's "feeders." It will thus be patent that it is too soon to prognosticate. The experience, however, even this early of the two provinces, Saskatchewan and Manitoba, it not entirely propitious—particularly as regards collections. Provincial Treasurer Dunning in his recent speech on the budget in the Saskatchewan legislature called attention to the fact that since the inception of the Saskatchewan Farm Loan Board the yearly totals of unpaid interest due from farmers on loans were growing larger. According to these figures at the end of 1918, a few months after the Board commenced collections amounting to eighty per cent. of interest due were reported. Only fifty-eight per cent. was collected in 1919; forty-six per cent. in 1920 and thirty-seven per cent. in 1921. These figures are inclusive of arrears making them all the more unsatisfactory. In view of this situation the economic problems of a government become clearer.

Rural Credit Collections

The 1921 report of the Rural Credit Department of the Manitoba Government shows that of $2,556,975 advances to rural credit societies up to November 30, 1921, $939,000 was authorized to be carried forward into 1922. The balance of $1,617,000 remained to be collected before 1922 started. On November 30, 1921, however, only $480,000 or thirty per cent. of this $1,617,000 balance had been gathered in. Cattle loans of $205,000 in 1920 and $109,000 of 1921 had to be carried over by the Government.

In view of the far from assuring experience of at least two provincial governments would an "agricultural bloc" be justified in urging upon the present administration at Ottawa the entrance of the federal government into a banking experiment for any individual class? It is on record of course that the United Farmers of Alberta want government ownership banking but the organized farmers of the rest of the Dominion have as yet exhibited no such radical tendencies, and in spite of the urgings of the United Farmers of Alberta it is by no means certain that these demands have the complete sympathy of the farmers in power at Edmonton. In fact Premier Greenfield has shown very clearly a strong desire to economize, and with this as a prime aim it is inconceivable that he will adventure in banking, so liable to prove costly to the province. Of all the provinces the chartered bankers probably would most cheerfully relinquish the financing of the Alberta farmers. In no other province have loans pyramided to quite the extent that they have in Alberta, chiefly because of the succession of crop disappointments in Southern Alberta. It has been estimated that the chartered banks have $120,000,000 out in Alberta farm loans at the present time and that the bulk of this amount is frozen.

Federal Aid Unsound

Government dabbling in banking in the United States led Secretary of the Treasury Mellon to declare, "I do not believe that the principle of extending federal aid to the classes is sound. The system of the government backing the Federal Farm Board is not sound principle."

For Canada, after practical test over a five-year period, the Provincial Treasurer of Saskatchewan has said: "The present banking system revised to meet the needs of agriculture furnishes the only solution for the problem."

John W. Leedy, an Alberta farmer who was once governor of Kansas is one of those who has achieved a reputation in this country as a bank baiter. It will be recalled that a couple of years ago he issued an interesting pamphlet to which he gave the title "What is wrong with Canada?" His opinion of Canadian bankers may be fairly surmised from the remark that "the bankers of Canada who are our overlords, have skinned the farmer instead of shearing him." The main contentions in Mr. Leedy's indictment against the Dominion's banking structure—representing the viewpoint of Canadian bankers—were answered in the Journal of the Canadian Bankers' Association as follows:—

"The second policy which Mr Leedy questions, is the practice or requiring settlement at threshing time, 'when the farmer gets his annual trimming'. The fact that the banks themselves have found it desirable to secure powers to lend upon the security of threshed grain stored upon the farm is evidence both that there was room for improvement in the past and that the banks were ready to urge the improvement when the need was demonstrated. The question of more extended and more flexible terms of credit is also fairly open to debate.

No Case Against Branches

"Mr. Leedy is not definite as to the kind of bank Canadian agriculture requires. At times he advocates the New Zealand system which in reality is not a system of short term banking credit but of long term state loans made on first mortgages of land free from all encumbrances, liens and interests. For the most part however he leans toward the small bank system of the United States. That local banks have their own merits is unquestionable but it will require much more effective argument than Mr. Leedy has marshalled to make Canadians give up their conviction that on national as well as on economic grounds the branch bank system with its adequate capital, its distributed risk, its fluid funds, is better adapted to our conditions than any other which has yet been devised."

While there is plenty of talk of the type "the savings of the masses are not utilized for the benefit of the masses" there is an utter absence of a concrete banking proposal for the credit of Canadian farmers that in any way measures up to the accommodation already available through the existing banks. Canadian bankers unquestionably would be sympathetic toward any properly conceived plan—that was sound economically—for the strengthening of the agricultural credit fabric if it is actually demonstrated that a vital need exists in Canada. But the banks of the Dominion ostensibly cannot countenance sheer charity. It may be taken for granted that banks and mortgage loan companies are organized by private capital for the business of making profits, just as farmers are in the business of farming for profits. To make profits banks cannot afford to overlook the business chances. Clearly the chartered banks will continue to carry the legitimate business load of the country. It is therefore not too much to venture a prediction that the Canadian federal government will find unremunerative any business which has been refused by the regular loaning institutions. Provincial Governments as a matter of fact have done so already.

A. B. A. CONVENTION

Practical Business and Financial Problems on Tapis

That the 1922 convention of the American Bankers Association, called to meet in New York in the first week in October, will be the most important forum for the discussion of America's vital financial and economic problems ever held in the United States is the opinion of bankers in the councils of the association.

"In order to give the subjects which will come before the convention proper attention and thorough discussion," said Thomas B. McAdam, president of the association, in a statement announcing the general character of the meeting, "every effort will be made to concentrate the attention of delegates upon the business sessions of the convention and upon the work of the several divisions and sections. Programs will be arranged with the idea of making every meeting a real forum for the discussion of live problems. Delegates will be encouraged to take part, and it is expected that they will bring to the front every knotty question over which the business men of the country are puzzling their heads."

How Canadian Banks Serve Farmers

By a Winnipeg Bank Manager.

Our system is an excellent one, even in spite of the fact that occasional abuses may occur, bringing more or less disastrous results. Unfortunately, no system can be made entirely fool-proof good as it may be. Since prior to the last revision in 1913 I have advocated and have been sincerely impressed with the need of educating the public mind through some extensive system of publicity as to the plain truth and facts as regards Canadian Banks, their operation and affairs generally pertaining thereto. Our Canadian system is not only capable of giving the public a broad and far-reaching service but it is also sufficiently elastic to permit of this being done even in times of financial stress, and in addition I can state from many years of experience both in the East and in the West, that Banks generally have been for many years past willingly extending most generous credits, too generous in fact, not only to the commercial clients but particularly to farmers, in fact there has been no class of customer to whom they have been so willing to loan as to farmers both East and West. The unduly keen competition which has existed in the business has induced, if anything, too liberal a loaning policy during recent years, and to one who knows it is only ludicrous to see the complaints directed against the banks particularly from some of our Western Provinces whose farmers have not only borrowed altogether too freely but whose borrowings have been carried over from year to year, while the makers of law have at each session of Parliament provided some additional legislation to prevent collection pressure from being effectively applied.

YOUR BANKING SERVICE

Is a first consideration. With over 600 offices in Canada and branches in New York, London, Eng.; Paris, France; Barcelona, Spain, as well as in the West Indies, Central and South America, this bank offers special facilities for conducting your banking business.

Direct wires connect our Head Office with New York, Toronto and Winnipeg.

Let us send you our monthly letter reviewing trade conditions.

THE ROYAL BANK OF CANADA

Incorporated 1869

UNION BANK OF CANADA TORONTO
UNION BANK OF CANADA HEAD OFFICE WINNIPEG, MAN.

A Dominion-Wide Scope

BOARD OF DIRECTORS

Sir William Price, Quebec, Hon. Pres.
W. R. Allan, Winnipeg, President
G. H. Thomson, Quebec, Vice-Pres.
Stephen Haas, Toronto, Vice-Pres.
H. B. Shaw, Winnipeg, Vice-Pres.
G. H. Balfour, Winnipeg
G. M. Black, Winnipeg
Hume Blake, Toronto
M. Bull, Winnipeg
Sir John W. Carson, C.B., Montreal
B. B. Cronyn, Toronto
E. L. Drewry, Winnipeg
S. E. Elkin, St. John, N.B.
D. N. Finnie, Winnipeg
John Galt, Victoria
A. Hitchcock, Moose Jaw, Sask.
J. S. Hough, K.C., Winnipeg
F. E. Kenaston, Minneapolis, Minn.
W. H. Malkin, Vancouver, B.C.
R. O. McCulloch, Galt, Ont.
H. A. Robson, K.C., Winnipeg
Wm. Shaw, Quebec

OFFICERS

H. B. SHAW, Winnipeg, Vice-Pres. and General Manager
J. W. HAMILTON, Winnipeg, Asst. General Manager
F. W. S. CRISPO, Winnipeg, Asst. General Manager
GEO. WILSON, Toronto, Asst. General Manager
F. W. ASHE, London, Eng., Asst. General Manager

AIMING to give a helpful and efficient banking service to every part of Canada the Union Bank of Canada has built up a chain of 370 branches including the most important points throughout the country.

We operate Farthest North as well as from Coast to Coast—a Dominion-wide scope.

Our branches in London, England, Montreal, Toronto, Winnipeg and Vancouver, and our New York Agency (49 Wall St.) are equipped with perfectly organized Foreign Exchange Departments, prepared to finance and advise Canadian exporters and importers.

UNION BANK OF CANADA

Capital and Reserve	-	$14,000,000.
Total Assets (Nov. 30, 1921)	-	$152,000,000

PROSPERITY WILL BE BROUGHT BACK BY SWEAT OF BROW

Not Hard Times Coming But Soft Times Going

NEEDED ADJUSTMENTS

A More Equal Balance Must be Struck Between the Producer and Consumer—Reduce Expenses

By C. W. ROWLEY,
Western Superintendent, Canadian Bank of Commerce

SOMEBODY made the remark a few days ago that hard times had come, but it seemed to me that this person made a mistake in his statement—what he should have said was that "soft times have gone," and he might have added that every man, woman and child, from the person at the head of a firm to the office boy, and including all those in between, has to do a little himself or herself, and be a little more thorough and conscientious in the discharge of his or her duties.

During the past ten years a lot of slack has developed, more or less unconsciously, and it has now got to the point where this slack has to be taken up, and that is the job for the man or woman at the top, whether it is the butcher, the baker, or the candlestick maker.

In my travels about the country, from Fort William to Calgary and Edmonton—and the same will no doubt apply to the rest of Canada—one is satisfied that the country is just as good as ever. Like people and businesses, it is going to have its good and bad years, but if the people are right the country will amply repay the work that is bestowed upon it, that is, of course, if one uses any sort of common sense in selecting a farm or ranch or business or manufacturing plant.

One of the good signs about the whole situation is that people are beginning to get back to the good old biblical methods, viz., hard work; bending the back; elbow grease, and by the sweat of their brows coupled with the average amount of brains and general thrift, they will help things to right themselves.

But we cannot get away from "six days shalt thou labor," and in referring to labor a five to eight-hour day was not meant, but instead an honest day's work, whether in the factory, on the farm, the bank, the bakery, the railroad or on the road.

Needed Adjustments

But, of course, there are other adjustments that must take place. One is the difference between what the producer gets for his product and what the ultimate consumer pays. By that difference, in many cases heart is taken out of the one and the hide off the other. There must be an honest effort to bring these two prices a little closer together. For example, beef is 3-5 cents per pound on the hoof, and 75 cents to $1 on the plate in a dining car.

Taxes of all kinds are too high. These, apart from war-taxes, are entirely in the hands of the people. Demands of all kinds for school, municipal, provincial and Federal improvements and expenditures of money are made, and if these are met the taxpayers must pay for them.

The remedy is plain. Let us insist on rigid economy by governing bodies of every form and nature, at least until such times as our growing burden of taxation is lightened. Every government, whether it be at Ottawa or a village council, stands in exactly the same relation to the public as the directors of a business do to the shareholders. It is their function to see that the business is run economically and profitably. If this is not done, then out they go.

Our varied governments should cut their expenses to meet their existing taxes, not seek to raise more money to take care of greater expenditures.

This is the plan the big and successful corporations are adopting. Why not our municipal, provincial and federal governments? The last annual statement of the C. P. R. showed a gross reduction of earnings below the preceding year of about twenty-five millions of dollars, but during the same period the actual net profits showed a gain of one million dollars. A glowing example of good management and cooperation in keeping expenses down and speeding up production.

We Must Economize

But we do not yet seem to have reached the stage where we realize that both private and public economy is the essential measure; we still think that we can have our cake and eat it; we are all for "putting on a front" and forgetting the back.

Just as a case in point: On boarding a train at midnight in a western town recently, I noticed the whole place was as brilliantly illuminated as the corner of Portage Avenue and Main street on a Saturday night when the streets were crowded, but in this case, as far as one could see, there was not a living soul about.

This is clearly a case of having money to burn, and burning it.

We must reduce our expenses for unessentials, and also reduce our ideas in regard to the things and the luxuries we think we must have, and do more as our fathers did, if we expect to escape and have prosperity with us as a permanent visitor.

It is said by those who profess to know that we here in Canada, especially in the West, waste enough to keep double our present population.

We cannot continue doing so and have good times, and the quicker we realize it the better for us as individuals and as a nation.

Curtail Expenses—Increase Sales

Our expenses have got to come down before our profits can go up. Until we, as business men, get down to facts and curtail our out-go to balance with our income, we are going to continue having cause to talk hard times. As I see it, generally speaking we are spending on a 1919 basis with a 1914 income, and our balance sheet shows in red ink.

We talk hard times, but those of us who were here in 1906-7 know there is no comparison between conditions now and then.

In those days, work, food and fuel were scarce. Farmers held up trains and took what food they could from them. In the Northwest, settlers burned their scanty crops and furniture to keep life in their ill-nourished bodies.

The Mounted Police were on patrol night and day, trying to succour those pioneers who had the hardihood to go out hundreds of miles to develop the West. In Calgary, then a city of less than 20,000, I remember seeing unemployed parades, consisting of anywhere between 1,000 and 1,200 people—hungry, miserable, cold, seeking work or relief. Even fuel was doled out, 100 pounds at a time, to make it cover the needs of the people.

And yet we are to-day talking hard times.

What we need to do is to put our houses in order, and to set an example to the coming generation. Active support should be given to boys' and girls' organizations, such as the Scouts, Cubs and Girl Guides. Crime and license should be reduced. Our jails from one end of the country to the other are bulging with juvenile criminals. The cost of administering justice in this country is far too great. Let us get after it at its root by starting our youth right.

RAPPING FAMOUS SECTION 88 OF THE BANK ACT

(Continued from page 17)

its lien, has taken possession of the goods held by the firm, which include goods supplied by the Bradford house, and have not been paid for.

"In this country, following the liquidation of a business concern a bank which has made advances would be, apart from its holding a debenture interest, in the same position as any other creditor, and would participate in a dividend. In the case under notice the bank's lien absorbs the whole of the assets, and the luckless creditors not specially legislated for get nothing.

"Only two days before the liquidation of the company in question was announced, the Bradford house received an order by cable for fifty pieces, which tends to show that the firm had no idea that liquidation was to be forced upon it. Although the firm had suffered in the general slump there were signs that it would weather the storm satisfactorily, and it had, in fact, steadily reduc its liabilities to the Bradford house in the last few months.

"The complaint is that the bank concerned, utterly regardless of equity, decided to exercise its powers as a big and legally-secured creditor inequitably and without any regard to the position of other creditors whose unpaid-for goods it has secured. Had the law that obtains here operated in Canada the Bradford house would have secured a dividend approximately 10s. in the pound.

"Similar cases affecting Bradford have occurred since the slackness of trade manifested itself in serious guise. The position is a somewhat alarming one for the trading community, which can hardly be expected to ship goods to Canadian firms with no knowledge of the relation of such firms to their bankers. It is probable that a conference upon the matter will shortly be arranged in Bradford."

To Facilitate Trade

The position taken by bankers generally is that as a rule the provision in the Act works out not only for the protection of the bank but satisfactorily for the firm that sells the goods. It is not regarded, as the article said, as a "secret" protection to the bank in case of insolvency. The real purpose, as the bank man expressed it, is to facilitate trade and commerce in a new country where the bases of credit are so well established as they are in Great Britain. Certain manufacturers and farmers are, through this section, granted credit which banks otherwise would be unable to extend to them. If they administer their affairs properly they receive a benefit and no injury is done to anyone. In case of failure those who supply them with goods are likely to make losses but this does not imply that the bank may escape loss. "We very often find that the proceeds of the sale of goods that have been pledged to them under Section 88 of the Act are not sufficient to meet the advances made by the bank against them. Persons who are dishonest sometimes make use of the Section to carry out fraudulent operations and usually a bank is included among their other victims."

Bank's Profit Much Less

In a reply that was sent to the Bradford manufacturers the point was raised that banks could not fairly be expected to grant credit on equal terms with mercantile houses and assume the same risk. An instance was held up where a Bradford merchant, for example, who granted a Montreal manufacturer a line of credit, turned his money over several times a year and each time received a trading profit, probably in all at least 25 per cent. on the amount of the credit. The bank, on the other hand, in granting credit to the same customer received simple interest only at the rate of 6 to 7 per cent. per annum. Obviously the bank could not afford to take equal chances with the merchant on the customer going into insolvency and therefore was reasonably entitled to greater protection.

Equally Secret and Safe Before

It was further pointed out that before this Section 88 came into effect a Montreal manufacturer could place in an independent warehouse in Montreal goods obtained from a Bradford merchant and obtain an advance from the bank against them. This was a safer position for the bank and was equally secret insofar as the Bradford merchant was concerned. However, the system was not only inconvenient but costly as well. Section 88 was provided to overcome this condition by allowing the banks to acquire a lien on goods in the manufacturer's own possession. The bank naturally is less secure but bankers realize that there is an advantage in this to the business community and are willing to take their share of the risk. The result has been also that a large volume of advances by the banks is thus made possible which would never have been available except for this Section, and usually it is out of just such advances that payment is made for goods supplied to manufacturers.

If a manufacturer borrows money from his bank against goods and then fails to pay for these goods the bank in loaning the money has done nothing discreditable to itself; if there is any grievance it is surely against the manufacturer for failing to make payment out of the loan he received.

Savings Accounts
Business Accounts
Credits of all kinds
Collections

SERVICE FOR ALL

Whatever your problems may be we shall always study them carefully and give you the benefit of our experience.

LA BANQUE D'HOCHELAGA
Founded 1874

BANK OF HAMILTON

Jubilee Year

The fiftieth Annual Meeting of the Shareholders of the Bank of Hamilton was held at the Head Office of the Bank at noon on Tuesday, April 18th, 1922. There was a representative attendance. The President, Sir John Hendrie, K.C.M.G., was in the chair. The General Manager, J. P. Bell, read the report of the Directors and gave a detailed analysis of the General Statement. He pointed out that deflation and contracion of business have continued throughout the whole period covered by the statement, which he hoped would be considered satisfactory under these trying conditions. He stated that all the offices of the Bank, including the Head Office, have been inspected, and the report of the Shareholders' auditors as a result of their examinations was appended to the Balance Sheet.

In moving the adoption of the report, the President referred to the drop in prices, coupled with the lack of buying, as disastrous to many merchants and manufacturers. Financial troubles have been prevalent everywhere, even in the United States, in spite of its influx of gold.

The President expressed his regret that the Bank's Jubilee Year should have to be celebrated during a period of depression, but pointed out that a bank must consider the general average over a long period, and drew attention to the remarkable growth and progress of the Bank of Hamilton since its very modest beginning in 1872.

He referred to the burden of taxation and said we have reached a stage where taxes are oppressive and restrictive. The system of heavy supertaxes upon large incomes is drying up the sources of capital and preventing business extension. Our legislators see mto have lost their sense of perspective in this matter. This is called the country of opportunity. Surely it is unwise to discourage thrift and enterprise o nthe part of men of moderate means. The amount of money spent and not profits is the proper basis for taxation. A system under which nevt year's profits are made to pay this year's taxes is unsound. He then added that the Bank has marked their fiftieth nniversary by a new issue of bills, fives, tens, and a new twenty-five dollar note, corresponding to the five-pound Bank of England note and the only one of its kind issued by a Canadian bank. The design is a beautiful one, and he hoped it would prove a continuous reminder of the Jubilee issue.

Mr. J. P. Bell, the General Manager, referred to the payment by the British Government of the money loaned them by thhe Canadian banks during the war, a complete refutation of the doubt sometimes expressed in the United States as to Great Britain paying back money borrowed, all of which he thought will be paid beyond any question of doubt and to the last copper! We must anticipate a continued shrinkage in interest-bearing deposits owing to dull business and the lack of employment making necessary the withdrawal of a certain proportion of the people's savings, but also sometimes withdrawn for the purpose of purchasing stocks and bonds of doubtful quality, but promising higher returns. People should remember the value of having money in the Bank and its great purchasing power, which is steadily increasing. The rate of interest allowed on savings could not be increased without increasing the cost of general banking accommodation to the public. Mr. Bell then referred to the Provincial Governments having entered the field of banking and pointed out that the principle is economically unsound. Chartered banks have always welcomed the farmers as borrowers, provided their circumstances warranted credit. Experience has shown that Governments find it difficult to collect money loaned to farmers. If losses occur, the remainder of the people must make them up. The Banks have protested in vain against this invasion and can only conclude that it is a kind of fever which must run its course. Mr. Bell then read a short

HISTORY OF THE BANK OF HAMILTON

which, commencing business in 1872 with a paid-up capital of $100,000, has now a paid-up capital of $5,000,000, a surplus which has grown from $5,500 to $5,066,590. Assets from less than $500,000 to approximately $80,000,000. The number of Shareholders increased from 274 to 1,915. A steady progress, largely due to the prudence and wide vision of those earlier administrators who laid so solidly the foundations upon which we have built. We have now in 1922, in addition to the Main Office, 157 Branches, reaching from Montreal to Vancouver, B.C. In good times and in bad times for fifty years the Shareholders have never failed to receive dividends ranging from seven per cent. to twelve per cent. per annum, with sometimes a bonus in addition. The first Directors were: D. McInnes, President; John Stuart, Vice-President; D. Moore, J. Hespeler, E. Gurney, Hon. S. Mills and J. Turner.

Since its organization the Bank has always had on its Directorate some of the most prominent and capable business men in Hamilton, with one or two from Toronto, and latterly two from Winnipeg.

I have no hesitation in assuring you that you have every reason to feel satisfied that in the Bank of Hamilton you have a sound, conservative institution, in whose future you may have every confidence. As it seems to be expected of every General Manager that he should make some comment on business conditions, I may briefly state that one of the most favorable turns has been the improvement in prices of farm products, both grain and cattle, as the prices to which these had fallen were very discouraging to the great basic industry of our country. Our reports show that Canadian farmers are hard at work, living economically and bending every effort to wrest from the ground a reasonable share of the wealth on which our whole prosperity is based. There is an improvement in the attitude of labor, manufacturers are anxious for business on smaller margins and most wholesalers and retailers realize the necessity of turning over stocks instead of holding on in the hope of getting some bygone cost. All things considered, I think we have gone some way on the uphill road which leads to better times.

Mr. I. Pitblado, one of the Directors resident in Winnipeg, complimented the President and General Manager on the conservative optimism of their speeches. We have a great country and it is going to become greater, and this is true of our Bank. World prosperity is to be achieved by faith and confidence in the future, and by an agreement among the nations to respect the rights of others.

Mr. Cyrus A. Birge, Vice-President, urged the need for economy, but thought we have every reason to congratulate ourselves at this fiftieth Annual General Meeting on the position of the Bank as shown by the statement.

Mr. C. M. Gripton, in commenting on the report, said that he had years ago invested in Bank of Hamilton stock, and was perfectly satisfied with his investment in an institution which was managed on such conservative, common-sense lines.

Mr. C. R. Scott, one of the Bank's auditors appointed by the shareholders, added to his report some particulars of the continuous audit he had made of the affairs of the Bank, comprising eighty visits and over two hundred and forty hours of time during the past year. He mentioned the very full access accorded by the General Manager and Staff to all the details of the Bank's business.

Colonel N. B. O'Reilly remarked on the predominating Scotch traits of the Bank's Directors and Executive, and stated that he felt the affairs of the Bank had always been managed in a canny fashion.

After votes of thanks to the President, the General Manager, and the Staff, proposed by Mr. C. M. Gripton, and seconded by Mr. Guy Long, and the re-election of the Directors, the meeting adjourned.

At a subsequent meeting of the new Board Sir John Hendrie, K.C.M.G., was re-elected President, and Mr. Cyrus A. Birge, Vice-President.

In Step—

IMPERIAL · BANK · OF · CANADA

THE SERVICE of this Bank has grown year by year in step with the expansion and development in Canada's Domestic and Foreign Trade.

As in the past forty-seven years, the Imperial Bank of Canada continues to be a basic and constructive element in the industrial, commercial and national progress of the Dominion. With 212 branches in Canada, strong affiliations through the British Empire and in Foreign Countries, every requirement of modern banking service for local, national and foreign trade is being fulfilled.

We invite anyone interested to write for particulars of our facilities

Some Of Our Agents Abroad

ENGLAND.
Lloyds Bank Ltd. London and Branches.
SCOTLAND
The Commercial Bank of Scotland, Edinburgh and Branches.
IRELAND
Northern Banking Co., Ltd., Belfast and Branches.
FRANCE
Lloyds & National Provincial Foreign Bank, Ltd.
Credit Lyonnais.
UNITED STATES
New York — Bank of the Manhattan Company.
Chicago — First National Bank.
Buffalo—Marine Trust Co.
Detroit — First National Bank in Detroit.
San Francisco—Wells-Fargo Nevada National Bank.

THE IMPERIAL BANK
OF CANADA

Capital Paid Up - $7,000,000 Reserve Fund - $7,500,000

Peleg Howland, President
G. D. Boulton, Asst. Gen. Mgr.
A. E. Phipps, General Manager
H. T. Jaffray, Asst. Gen. Mgr.

Head Office - Toronto

CONSOLIDATION OF OUR BANKING SYSTEM WITHIN DOMINION RATHER THAN AGGRESSION ABROAD IS THE CURRENT POLICY OF CANADIAN BANKERS

Determined to Avoid Experience of American Foreign Trade Banks

CONFIDENCE IN FUTURE

Emerging From Period of Vicissitudes Bankers Are Hopeful for Business Revival

By J. HERBERT HODGINS,
Union Bank of Canada, Winnipeg.

NOT FOR a decade has the progress of Canadian banking been less spectacular than in the passing year. The period has been characterized by the determination of Canadian bankers to consolidate within the Dominion. The international field has not invited foreign aggression and the unhappy banking experiences of American banks in attempting to broaden their activities have dampened the ardor for further excursions abroad. The fact that four American foreign trade banking enterprises have withdrawn from business and fourteen foreign branches of well-entrenched New York banks have closed, emphasizes the difficulties of international banking in the twelve months under review. Annual bank reports of recent weeks have clearly revealed the manner in which Canadian institutions have shouldered their burden of the economic adjustment. Canadian bankers have made earnest efforts and have succeeded measurably in reconstructing the country's banking machinery to a peace-time basis—coupled with the broad reconstruction in finance and industry in trade and commerce.

Emerging from a period full of business vicissitudes it is cheering to find our bankers confident of the fundamental position of Canada, and hopeful for a revival more nearly approaching "normal." Sir John Aird believes that "with our unused acres and our natural resources, our many centres of manufacturing, our established character for industry and energy and our really great ability to economize, when aroused, we of all nations can surely view the future with courage and confidence." John Galt retiring from the presidency of the Union Bank of Canada, said, "Anyone comparing the conditions of Canada today with that of the United States in 1790, or again, with the period immediately following their Civil War, cannot but be struck by their quick transition under the influence of peace and an established government from a state of bankruptcy and disorganization to an era of progress and contentment. In material resources we are not far behind them and with the energy and ability of our people should we not believe in a correspondingly rapid recovery in the great nation which we are building up in this Dominion?" While Sir Frederick Williams-Taylor inclines to the view that Canadians have unduly pledged our national resources and unduly wasted our substance, he holds that Canada is still rich in the manhood of the Dominion that remains intact and in the industry and ambition of our citizens, and "having learned our lesson from the inexorable teacher, stern experience," he foreshadows that "we shall emerge from our difficulties in time a wiser nation and then proceed to the full development of a great inheritance on a sound and sane basis, turning the experience of the past to the advantage of the future." So much for banking confidence in the longer future.

Within the Dominion the branch system has given further proof of its strength and its elasticity. The trend of banking opinion has been toward a contraction—the weeding out of isolated unprofitable branches—for the reason that the Canadian field is for the present needs of business and agriculture—regarded as adequately covered.

The Merchants Affair

Despite a sharp decline in domestic and foreign trade, Canadian banks in the main retained their status quo. If no distinct forward movement was recorded at least there was no real slipping backward except in the one distressing instance of the collapse of the Merchants Bank of Canada. The passing of this historic institution while the single Canadian banking calamity of the year—compared with 272 bank failures in the United States during 1921 and 471 failures with liabilities of $178,200,000 in the last three years—is notable as the only Canadian bank failure in more than ten years. But huge as were the known losses of the Merchants Bank of Canada the dominant consideration remains that the deposting public lost nothing—the Canadian banking system stood up under terrific pressure.

The Canadian bank failure is not an isolated affair. In France, Spain, Italy, China, great banks have collapsed and as in the instance of the Merchants Bank of Canada the crises arose out of the failure of commercial and industrial concerns with whom the banks in question were too heavily involved.

Apropos of this we quote from "The Scotchman" (Edinburgh, Scotland). "These are object lessons which should be borne in mind when the cry is raised, as it sometimes is raised in the United Kingdom, that the British banks will not give to industrial and commercial concerns the assistance which they think they are entitled to expect. No doubt our banking system has its faults. No financial system yet devised by man is without them. Possibly there is something in the plea of the small industrialist that the process of bank absorption and amalgamation has worked to his disadvantage, in that he may not always be able to obtain from the large centralized institutions the sympathetic and individual consideration of his needs which he used to receive from local banking houses. Nevertheless, the truth illustrated by recent banking events abroad is that bankers' responsibilities are not bounded by their obligations to individual clients or to their own shareholders. Their supreme responsibility is the maintenance of stability and liquidity. That is a responsibility borne by them to the nation collectively and individually, for it is almost impossible to estimate the vast ramifications of disaster that would result from the failure today of one or more of the principal joint-stock banks of the United Kingdom. The old saying that banking, and indeed all finance, is the handmaid of industry is true beyond question. But if banks be not wisely and cautiously directed, they will wreck instead of propel the machinery. That is the lesson of the banking crises in Italy, Spain, Canada and elsewhere."

Canadian bankers are to be congratulated that they did not become involved in international banking losses. Those of our banks who have ventured into the foreign fields have held their ground, but except for the entrance of the Canadian Bank of Commerce into Rio de Janeiro, Brazil, toward the close of 1921 no foreign establishments have been undertaken.

Only the further peopling of the Dominion would appear to warrant a broadening of the country's present bank system. Today with a population of less than 9,000,000 there are branch banks for every 1,800 persons in the country; sufficient proof of ample and convenient banking accommodation. The difficulty in raising fresh capital when capital is surely needed for all productive purposes in a country suffering from growing pains and war taxation precludes the possibilities of new banks rising up in the immediate future. Two attempts have been made of recent years to get new banks underway in Canada. Last year the earlier ambitions of the Great West Bank of Regina to commence operations not having been realized, its promoters were granted one year's charter renewal. So far as is known at this writing there is nothing to warrant the anticipation that the initiators of the proposed bank will have sufficient capital to start business July 1. The one factor likely to stimulate our banking, and to create fresh demand for new branch bank, would be an inrush of new settlers. Immigrants are coming but it is already apparent that Ottawa is not disposed to embark upon a wholesale and indiscriminate policy of immigration. The result clearly as pertaining to our banking system is that no appreciable expansion is to be expected for the coming twelve months.

Summary of Developments Bearing Upon Canadian Banking

1921	
June.	Union Bank of Canada establishes at Fort Smith, N. W. T., in sub-Arctic. New York State General Assembly adjourns without acting upon bill to permit foreign banking institutions to operate branches in New York.
July.	National City Bank of New York definitely allies itself with movement to grant reciprocity in banking to foreign banks including Canadian. Two former Canadians, John H. Fulton and Vere C. Brown, appointed second and third in executive authority of National City Bank of New York. Geo. F. Orde, former Canadian, appointed president Lincoln National Bank of Minneapolis, Minn. Norman M. Fraser, of Bank of Italy, San Francisco, Cal., visits Canada to study Canada's branch bank system.
August.	Argentina state measure moves for reciprocity in banking; two Canadian banks have branches there, Royal and Commerce.
September.	1,000 American bankers tour Western Canada en route to American Bankers' convention in California.
October.	Opposition of state bankers succeeds again in getting American Bankers' convention to vote down proposal for branch banking in the United States.
November.	Canadian Bank of Commerce opens branch in Rio de Janeiro. President Canadian Bankers' Association declares provincial banking experiments economically unsound.
December.	Collapse of the Merchants Bank of Canada. Marked recovery in position of Canadian dollar in New York.
1922	
January.	United Farmers of Alberta demand federally chartered Bank of Alberta. Royal Bank of Canada disposes of its stock in the Bank of Manhattan Company. Royal had been only Canadian bank to own stock in strictly American bank. John McHugh, native Canadian, elected president Merchants and Metals National Bank of New York.
March.	Vere C. Brown, former Canadian banker appointed vice-president and general manager Morris Plan 100 Banks. Bank of Montreal formally absorbs Merchants Bank of Canada. Park Union Foreign Banking Corporation merged with Asia Banking Corporation. Ontario Government establishes series of provincial savings offices to collect public deposits for rural credits, in direct competition with chartered banks. Banks holding shares in American Foreign Banking Corporation subscribe $5,500,000 to be added to special reserve. Standard Bank of Canada one of stockholders.
April.	Bank of Montreal sells premises at 38 Wall Street, New York, which were acquired July, 1919, by Merchants Bank of Canada at a reported price of $500,000.

The "Soft Money" Issue Looming

ARE the Mid-Western farmers headed toward a new greenback party?" The Literary Digest raises the question. "Put that question to a business man and he laughs," observes a writer in a farm weekly; "put it to a banker and he looks worried; put it to a certain kind of farmers' meeting and you get a cheer that raises the roof." Among thoughtful politicians in Washington, says one press correspondent, there is neither laughter nor cheers, but a settled and growing belief that the banking and currency question will figure largely in the next presidential campaign and perhaps in the preliminary contests. The agricultural bloc in the Senate is supporting measures tending to cheapen money, believing, in the words of Senator Capper, that "cheaper money means cheaper and more abundant food." But a representative of Eastern business like the New York Journal of Commerce declares that this "new Bryanism" would "make bank credit as cheap as dirt and would raise prices of goods accordingly—with resultant 'prosperity'." In a Washington dispatch to this newspaper, Mr. H. Parker Willis asserts that the recent attacks which have been made on the Federal Reserve System by radical members of Congress have a distinct political object. For one thing, there are expectations that Mr. Bryan will organize his personal following in no small measure on banking and currency lines and will "attack the Federal Reserve System as one of the chief stones of stumbling in the way of the nation." Political lines are somewhat obscured by the fact that while the Federal Reserve System is a Democratic achievement, the Republicans have been defending the system "and thus assuming a place as its natural supporter while Democrats of the Heflin-Watson variety were lavishing their abuse upon it." But this Republican policy, we are told, "has become unavailable on a national scale through the fact that the agricultural bloc has so largely devoted itself to attacks upon the system and will probably stand out against any so-called 'conservative' policy." Mr. Willis continues:

"The issue of sound banking would, in fact, be sure to arouse more antagonism inside the Republician party than outside it. Therefore, not a few of the compromisers in the organization now regard it as unavailable as a major issue for them. The radicals, however, want to bring it forward as their own. They would gladly forestall the Bryan-Democratic group by outstripping them in abuse of the Reserve system. This makes a complex situation within the Republican party just as within the Democatic party.

"A very peculiar feature has been added to the contest by the fact that Messrs. Ford and Edison have taken ground on the populistic radical side. Thus far, they have confined themselves very largely to attacks on the gold standard and to demands for Government issues of paper money, but the anti-Federal Reserve cult is very close to this inflation movement. What they are doing is thus a great support to the advocates of unsound money and banking measures.

"There are a good many evidences of the influence that this work on the part of Messrs. Ford and Edison is having upon the rank and file of business men.

"Measures are now pending in Congress which would permit the discounting of long term agricultural paper presented by land banks. Apart from these relatively moderate changes, however, there is a large mass of bills of very drastic character calling for extreme action on questions of money and banking.

"The free-credit and soft-money propaganda is thus not only a political issue of the early future, but affords a present problem of first-class importance."

The Middle West is now experiencing a return of the greenback movement of the '70's, writes Mr. Donald R. Murphy in a leading article in Wallaces' Farmer (Des Moines), owned by the family of the present Secretary of Agriculture. It seems to this writer that two basic contentions of the old greenbackers "were sound then and seem sound to-day; that the gold production of the world is inadequate to furnish the circulating medium for trade; and that the control of the volume of money and circulation should be by the Government and not with bankers." To some extent the creation of Federal Reserve System is said to be an acknowledgment of the justice of these claims and incidentally, by its policy of lowering interest rates and thus slightly inflating values, the Reserve Board may possibly "kill the fiat money boom." Eastern financial experts are advised that they reckon without a large and growing sentiment in the farming districts when they predict further deflation and a return to pre-war price levels. Mr. Murphy reminds us that:

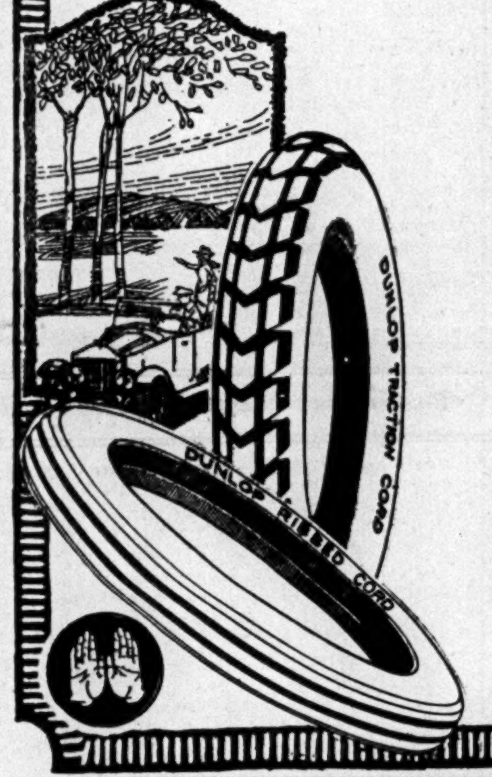
"Fiat money has been adopted as almost an official creed of the Iowa Farmers' Union. Milo Reno, its president, is preaching the greenback gospel in a series of meetings over the State. A similar attitude seems to be taken by the Farmers' Union of Kansas. In the official publication of the Union, of March 16, the editor says, in discussing the bonus question:

"'The business body is sluggish on account of contracted credit and currency. Why not stimulate it with a little transfusion of circulating medium turned out by the Government printing-press?'."

DUNLOP
CORD TIRES FABRIC

Making "Mile-ionaires"

THESE are great days for the motor car user—in a tire sense. Your dollar never before bought as much. Your speedometer never before registered as much. Your repair kit never was as idle. All because **Dunlop Cord Tires** came and ushered in a new era. Five years ago you paid half as much again for the same size tire; ten years ago you paid twice as much. Prices have been tumbling. Quality has been mounting. One time we thought 3,500 was mileage to boast of; to-day we may run into half a dozen "25,000 milers" in a forenoon. "Dunlop did it," says one enthusiast. "The 'Two Hands' are making us Mile-ionaires," says another; and so on.



The sign "Mileage Wanted" is now changed to "Mileage Supplied."

Use Dunlop Cord Tires With Dunlop Tubes

Dunlop Tire & Rubber Goods Company, Limited
Head Office and Factories: Toronto
Branches in the Leading Cities.
A.167

Permanence

THE Province of Ontario has been going since 1867, and will continue for a long time to come. Governments change but Government institutions go on.

The machinery of law enforcement, the provincial hospitals, asylums, prisons, Agricultural Colleges, Experimental Farms, etc., are all permanent institutions under Government control.

The Province of Ontario Savings Office is a Government institution, established likewise on a permanent basis. It was established as a bank for the people, controlled by the people under Government supervision. It is, in fact, the "People's own bank." Guaranteed absolutely by the Government of the Province of Ontario.

4% and Government Safety

Greater security as well as greater returns in interest are offered. The people of Ontario and of Canada at large should at once grasp these advantages.

At any Province of Ontario Savings Office your account is welcome. The usual banking accommodation is given and your money starts immediately to earn the increased rate of 4%.

Accounts opened by mail with the head office will receive prompt and courteous attention.

Province of Ontario Savings Office

Head Office and Branch:
110 University Avenue, Toronto.

Branches at Aylmer, Woodstock, St. Marys, St. Catharines and Toronto
26

BANK STOCKS ARE ON LOWER LEVEL THAN YEAR AGO

Yields are Attractive in View of Recent Advances

IN STRONG POSITION

Profits Reduced During Past Year Owing to Business Depression—Still Higher Than in 1920

IN VIEW of the recent revival of interest in share investments as compared with bonds which have reached a price rendering them less attractive to investors seeking to expand their income, it is interesting to note that the bank stocks are at present being quoted at prices somewhat lower than prevailed a year ago and on this basis are showing attractive returns. Of course the profits of the banks have been affected by the depression in trade and industry but not perhaps to the extent which might have been anticipated. It will be noted from accompanying statistics that profits of all Canadian banks amounted to $23,800,000 in the past year, which showed a decline as compared with $25,400,000 for the previous year, but was still substantially higher than the $21,000,000 of 1919 and $19,000,000 of 1918. That the contraction was not greater was undoubtedly due to the fact that retrenchment in administration was rigidly enforced all along the line. The figures, under the circumstances, indicate a favorable situation and the banks should be in a position to share in a revival of industrial and commercial activity such as would seem to be indicated by the recent general upward movement of industrial securities.

Prices and Yields

It is also interesting to compare prices and yields with the quotations prevailing prior to the outbreak of the war. Despite the fact that under the conditions accompanying the wartime expansion of industry and the large profits resulting to the banks with enlarged distributions to the shareholders in many cases, none of the bank securities have reached their high records during this period. Going back to 1910 we find that most of the high records were established during 1911 and 1912 although in a couple of instances the peak was not reached until the following year, 1913.

It will be also noted from the statistics presented that the banks have added considerably to their stock capital during the war period while at the same time consolidating considerable of their profits in surplus. They have thus added substantially to the funds which the shareholders are making available to the public as against deposits. Before the war the paid up capital amounted to $114,000,000 and the surplus to $119,300,000 a total of $233,400,000, while according to the last available reports, the paid up capital had increased to $127,400,000 and the surplus to $142,400,000, a total of $269,800,000.

Figures are also presented showing how profits of the banks have been distributed in the various accounts.

Comparative Record of Listed Bank Stocks

Banks—	High price since 1910	Date	High July 1914	Prices at the end of 1917	Prices at the end of 1918	Prices at the end of 1919	Prices at the end of 1920	Prices at the end of 1921	Pres. price
Commerce. .	237	May, 1911	205½	183¾	202	197	182½	185	187
Dominion. .	242	Jan., 1913	230	202	208	197	191	200	192
Hamilton. .	212	Jan., 1913	202	184	188⅛	192½	169½	170	168
Hochelaga .	180	Aug., 1912	151	140	143	156½	153	148	147
Imperial . .	229	Dec., 1912	218	185	203	196	188	174	172
Merchants. .	203	May, 1920	186½	167	181	190	167	164	...
Molsons . . .	209	June, 1911	202	179⅞	179⅞	187	170	170	164
Montreal . .	270	Aug., 1911	235	210	216	209	196	215	221½
Nationale. .	180	Apr., 1921	132¾	148½	148	160	174	130	100
Nova Scotia..	278½	Mar., 1921	265	248	255	272	250	252	258
Royal. . . .	241½	Mar., 1921	223	205	214	215	193	200	195½
Standard . .	239	June, 1912	220	200	214	215	193	204	200
Toronto . . .	217	June, 1911	212	184¼	194	195	182	188	181
Union	174	Feb., 1912	141	137	160	160	142½	142	136

Record of Bank Profits

Banks—	1915	1916	1917	1918	1919	1920	1921
Commerce	$2,352,035	$2,439,415	$2,637,555	$2,850,318	$3,074,892	$3,306,243	$3,116,136
Dominion	848,741	947,615	1,065,062	1,146,498	1,169,703	1,188,511	1,016,262
Hamilton	424,274	442,525	†538,522	671,226	847,104	888,018	850,672
Hochelaga	530,237	546,011	565,433	595,187	611,105	649,739	630,902
*Home	163,929	133,406	217,059	228,963	238,753	268,894	278,556
*Imperial	1,031,359	1,003,960	1,122,816	1,185,066	1,247,516	1,379,318	1,287,061
*Merchants	995,431	950,713	1,120,308	1,236,680	1,383,569	1,686,156	1,402,820
Molsons	556,193	582,356	615,514	712,485	818,802	822,718	752,389
Montreal	2,108,631	1,200,471	2,477,969	2,562,720	3,314,227	4,033,995	3,949,796
*Nationale	333,207	341,003	417,622	435,283	533,456	567,372	544,945
Nova Scotia	1,220,057	1,252,038	1,295,315	1,411,925	1,925,478	2,327,422	2,111,733
Ottawa	531,268	591,205	616,238	646,437	....	....	....
*Provincial	196,355	203,983	207,483	....	**434,594	338,882	425,647
Royal	1,905,576	2,111,307	2,327,979	2,809,846	†3,423,264	4,253,649	4,037,836
Standard	563,401	580,230	649,546	697,443	776,310	784,369	725,014
*Sterling	115,111	145,290	161,270	186,120	213,632	251,436	255,976
Toronto	663,074	730,954	802,820	844,402	1,011,359	1,017,371	926,125
Union	659,688	651,183	764,463	824,174	932,256	1,603,842	1,342,389
Weyburn	53,844	82,149	74,274	74,343	62,230	57,742	46,628

*Last available reports.
**For 18 months ended June, 1919.
†Bank of Ottawa absorbed.

Investments of Bank Stockholders

	1913 Reports		1921 Reports	
	Capital	†Surplus	Capital	†Surplus
Commerce	$ 15,000,000	$ 13,884,529	$ 15,000,000	$ 16,946,745
Dominion	5,811,244	7,459,033	6,000,000	7,715,480
Hamilton	3,000,000	3,751,131	5,000,000	5,066,590
Hochelaga	4,000,000	3,652,561	4,000,000	4,184,706
*Home	1,943,998	773,932	1,959,498	684,867
*Imperial	7,000,000	8,265,919	7,000,000	8,671,839
*Merchants	7,000,000	7,248,134	10,500,000	9,743,375
Molsons	4,000,000	4,881,932	4,000,000	5,187,355
Montreal	16,000,000	17,460,217	22,000,000	23,501,646
*Nationale	2,000,000	1,762,299	2,000,000	2,435,456
Nova Scotia	6,000,000	11,041,124	9,700,000	19,065,328
*Provinciale	1,000,000	637,873	3,000,000	1,440,976
Royal	11,560,000	13,575,119	20,400,000	21,305,044
Standard	2,860,240	3,812,457	4,000,000	5,112,492
*Sterling	1,184,353	387,982	1,232,200	537,564
Toronto	5,000,000	6,307,272	5,000,000	7,037,479
Union	5,000,000	3,490,579	8,000,000	6,541,686
Weyburn	316,100	103,112	524,560	241,144
Since absorbed	15,406,320	11,285,319	....	....
	$114,082,355	$119,336,524	$129,316,258	$145,419,772
		114,082,355		129,316,258
		$233,448,879		$274,736,030
SINCE ABSORBED				
B. N. A.	$ 4,866,666	$ 3,125,770	....	....
Metropolitan	1,000,000	1,432,547	....	....
N. Crown	2,811,804	442,276	....	....
Ottawa	4,000,000	4,952,759	....	....
Quebec	2,727,850	1,331,967	....	....
	$15,406,320	$ 11,285,319	....	....

†Includes reserve.
*Last available report.

Record of Bank Dividends Since 1913

Banks—	1914	1915	1916	1917	1918	1919	1920	1921	1922
Commerce	10+2	10+2	10+2	10+2	10+2	12	12+1	12+1	12
Dominion	12+2	12	12	12	12	12+1	12+1	12+1	12+1
Hamilton	12	12	12	12	12	12	12+1	12	12
Hochelaga	9	9	9	9	9	9	10	10	10
Home	7	5	5	5	5	5	6	7	7
Imperial	12	12	12	12	12	12	12+1	12+1	12
Merchants	10	10	10	10	10	11+1	12+1	12+1	1½
Molsons	11	11	11	11	11	12	12	12	12
Montreal	10+2	10+2	10+2	10+2	10+2	12	12+2	12+2	12
Nationale	8	8	8	x9	9	9	10	12	12
Nova Scotia	14	14	14	14	14	16	16	16	16
Provinciale	7	7	7	7	7	†8	8	9	9
Royal	12	12	12	12	12	12+2	12+2	12+2	12
Standard	13	13	13	13	13	13	14	14	14
Sterling	6	6	6	6	6	6	7	8	8
Toronto	11+1	11	11	11	11	12	12	12	12
Union	8+1	8+1	8+1	8+1	8+1	10	10+2	10	10
Weyburn	5	5	5	5	5	7	7	7	7

x Increased from 8% to 9% during the year.
† Increased from 7% to 8% during the year.

Dividend Record and Yields to Shareholders

Banks—	Div.	1914 July, Price.	Yield.	Div.	May *1919 Price.	Yield.	Div.	May *1921 Price.	Yield.	Div.	April †1922 Price	Yield
Commerce	10+2	205½	5.85	12	104⅞	5.85	12	187	6.41	12	187	6.41
Dominion	12+2	230	6.08	12	207½	5.79	12	194	6.18	12	192	6.25
Hamilton	12	202	5.94	12	185¾	6.48	12	180	6.66	12	168	7.14
Hochelaga	9	151	5.96	9	148	6.08	10	152	6.57	10	147	6.80
Home	7	...	...	5	...	...	7	...	...	7	...	...
Imperial	12	218	5.50	12	199	6.03	12+1	185	6.48	12	172	6.97
Merchants	10	186½	5.37	11	193	5.69	12	169½	7.07	..	...	...
Molsons	11	202	5.44	12	198	6.06	12	177½	6.76	12	164	7.31
Montreal	10+2	235	5.10	12	220	5.45	12	203	5.91	12	221½	5.41
Nationale	8	132¾	6.01	9	148	6.08	12	177	6.77	12	100	12.00
Nova Scotia	14	265	5.28	16	269	5.94	16	255	6.27	16	258	6.20
Provincial	7	...	...	7	...	...	9	...	...	9	...	...
Royal	12	223	5.38	12	215½	5.58	12	202	5.94	12	190½	6.14
Standard	12	220	5.90	13	204½	6.37	14	200	7.00	14	200	7.00
Sterling	6	...	...	6	...	...	8	...	...	8	...	...
Toronto	11+1	212	5.66	12	200¼	6.00	12	177	6.77	12	181	6.62
Union	8+1	141	6.38	10	161	6.21	10	155½	6.43	10	136	7.35
Weyburn	5	...	...	7	...	...	7	...	...	7	...	...

*Maximum price May 2, or last price previous to that date.
†Maximum price April 22, or last price previous to that date.

How Bank Profits Have Been Distributed

Name—	Balance	Profits	Total	Dividends	Taxes	Add to Rest	Premises	Pensions and other	Balance
Commerce	$1,783,979	$ 3,116,136	$ 4,900,116	$ 1,950,000	$ 325,000	$	$ 500,000	$ 178,370	$ 1,946,745
Dominion	669,218	1,125,181	1,794,399	780,000	108,919	....	150,000	40,000	715,480
Hamilton	139,264	850,672	*990,827	599,953	49,985	890	100,000	23,407	216,590
Hochelaga	83,804	630,902	714,706	400,000	40,000	....	70,000	20,000	184,706
Home	146,873	278,556	*425,570	137,153	53,549	† 100,000	....	....	134,867
Imperial	1,062,278	1,287,061	2,349,339	910,000	125,000	....	....	142,500	1,171,839
Merchants	260,774	1,402,820	*2,713,595	1,273,635	96,585	1,050,000	....	....	293,375
Molsons	518,092	752,389	1,270,482	480,000	55,000	500,000	....	48,128	187,355
Montreal	1,251,850	3,949,796	5,201,646	3,080,000	220,000	....	400,000	....	1,501,646
Nationale	74,219	544,945	619,165	240,000	26,708	100,000	65,000	152,000	35,456
Nova Scotia	982,595	2,111,733	3,094,328	1,552,000	97,000	1,000,000	300,000	80,000	65,328
Provinciale	38,466	425,647	*664,114	264,024	29,113	300,000	....	30,000	40,976
Royal	546,928	4,037,836	4,584,764	2,843,570	203,154	132,995	400,000	100,000	905,044
Standard	378,643	725,014	*1,252,157	555,115	59,549	† 500,000	....	25,000	112,492
Sterling	42,942	255,976	298,918	98,418	29,935	† 133,000	....	....	37,564
Toronto	986,354	926,125	1,912,479	600,000	100,000	....	150,000	25,000	1,037,479
Union	149,296	1,342,389	1,491,686	800,000	80,000	....	....	70,000	541,686
Weyburn	14,306	46,628	60,934	36,719	4,288	....	....	3,781	16,144
	$9,129,881	$23,809,806	†$34,339,225	$16,600,587	$1,703,785	$3,816,885	$2,135,000	$ 938,186	$9,144,772
COMPARED WITH PREVIOUS YEARS									
1920	$9,065,775	$25,413,340	†$36,918,271	$15,902,801	$1,583,994	$6,766,115	$2,445,000	$1,020,034	$9,199,883
1919	8,348,989	21,018,237	† 36,238,742	13,615,504	1,189,638	8,295,000	1,965,000	2,116,514	9,067,069
1918	7,726,764	19,058,122	† 27,831,804	11,974,143	988,776	2,736,710	2,284,009	1,074,318	8,028,846

* Includes premium on stock.
† Includes contingent fund.

STATE INDUSTRIES SUFFERED HEAVY LOSSES IN DAKOTA

State Bank Statement Also Shows a Large Deficit

The Bank of North Dakota showed a book deficit of $150,475 on December 31, 1921, with certainty that further losses will increase the total to several hundred thousand dollars, according to the audit report of Bishop Brissman to the industrial commission.

Every state industry, is shown to have suffered a heavy loss, in a consolidated report on the activities of the industrial commission. The book deficit of December 31, 1921, is placed at $653,993, which corresponds closely with the figures of Lewis F. Crawford, secretary of the industrial commission, made in his annual report on February 1, of this year.

What is termed by the auditors "a serious condition," is reflected in the finances of the state industries. Demand liabilities, it is stated, are $1,784,421.44 in excess of current or demand assets.

The consolidated report of the industries under the control of the industrial commission reflects the following outstanding features:

Total book deficit.

Bank of North Dakota $150,475; Mill and Elevator Association $187,194; Home Building Association $159,974; Industrial Commission $156,348—total $653,993.

Current or demand assets of the combined industries, $2,849,003; current or demand liabilities, $4,634,324 the excess of demand liabilities being $1,784,421.

Taxes Spent

Appropriations by the state totalling $449,374 consisting of contributions from the general tax levies for the operation of the home building and mill and elevator associations and industrial commission, have been entirely dissipated. This amount, a book deficit of $204,618 "together with the additional and ultimate depreciation and losses, must necessarily be contributed from the general tax levies," the report states.

A shrinkage of several million dollars of assets in the Bank of North Dakota will result from final settlement of affairs with closed banks and liquidation of other paper.

A total of $263,219 interest is due the Bank of North Dakota and un-

(Continued on page 23)

Deposit Your Savings With

The Montreal City & District Savings Bank

ESTABLISHED 1846

Head Office and Sixteen Branches in Montreal

A. P. LESPERANCE
General Manager

T. TAGGART SMYTH
Assistant General Manager

THE HOME BANK OF CANADA

CITY BRANCH LOCATIONS

There are twelve branches of the Home Bank of Canada in Toronto, each located in a central district and providing complete facilities in every department of banking.

8-10 King St. West
78 Church Street
Cor. Queen and Bathurst
Cor. Bloor and Bathurst
Cor. Queen and Ontario
Cor. Dundas and High Park Ave.
Cor. Broadview and Dundas
Cor. Yonge and Woodlawn
Cor. Roncesvalles and Neepawa Ave.
Cor. Danforth Ave. and Main St.
Cor. Yonge and Charles Sts.
Cor. Queen and Kenilworth Ave.

SAVE SPACE! In the Office—In the Shop—Everywhere

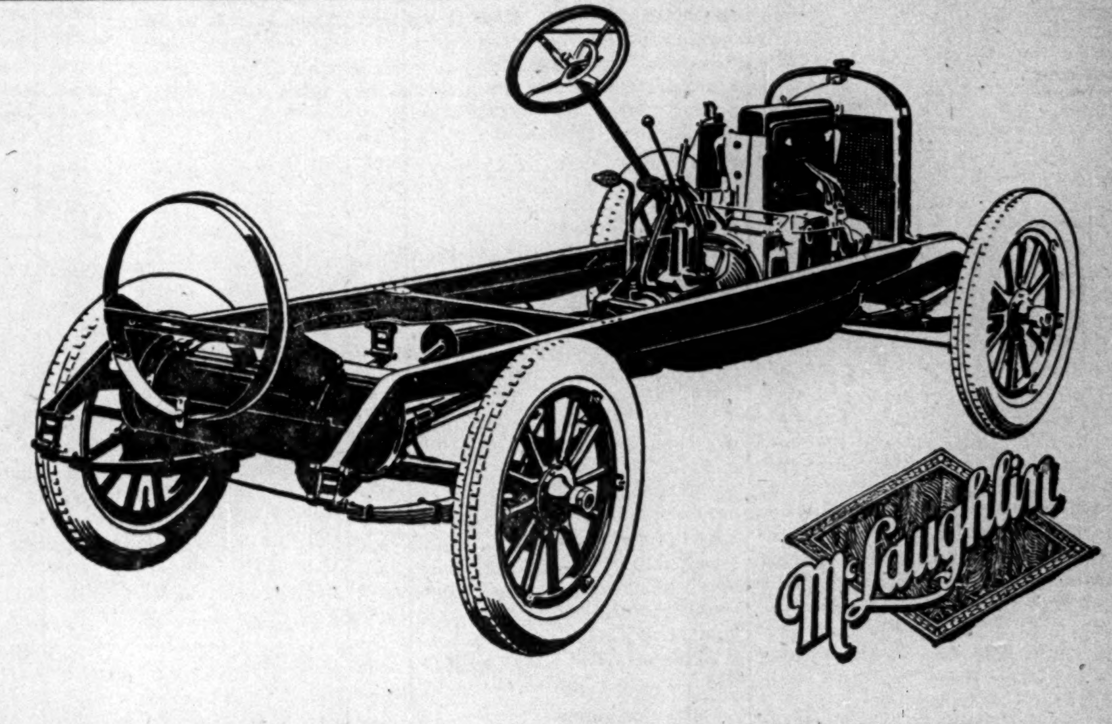
Instal the equipment that will give you more space, and take the place of untidy store-rooms and cloak-rooms that never were efficient for the use you have been putting them to. Dennisteel Cabinets are for the storing of stationery, supplies, books, etc. They are a handsome piece of office furniture, dust-proof, vermin-proof, and keep private papers, books, etc., safe from meddlers and fire. Interior shelving and pigeon-holing can be arranged to suit individual needs.

Write for folders

Dennis Wire & Iron Works Co., Limited

London, Canada

Halifax
Montreal
Ottawa
Toronto
Hamilton
Windsor
Winnipeg
Calgary
Vancouver



The Master-Four Chassis—Standard McLaughlin-Buick All Through

From tire carrier to radiator, the "Master Four" chassis is of the same powerful construction as the "Master Six."

McLaughlin-Buick cars for fourteen years have been built for dependability—and the "Master Four" embodies standard units which have proved themselves through years of service.

Compare the "Master Four" chassis part by part with any other four cylinder car.

McLAUGHLIN MOTOR CAR CO., LIMITED, OSHAWA, ONT.
Subsidiary of General Motors of Canada, Limited
Ask about the G.M.A.C. Purchase Plan which provides for deferred payments.

M202 Branches in Leading Cities Dealers Everywhere

McLAUGHLIN-BUICK

CANADIAN BANK SYSTEM FINDING FAVOR IN STATES

The Branch Idea is Being More Generally Adopted

TAKE OUR BANKERS

The Canadian Training Recognized as Important Asset —Trade Paper Handled as in This Country

THE trend of banking thought in the United States toward the Canadian branch bank system is regarded by some students of banking practice as significant of the growing influence of Canadian banking upon American banking. Canada has experienced American penetration under various guises, the commercial and industrial invasion and the capital invasion since New York became more clearly defined as Canada's banker.

"When the increased complexity of business and the growth of foreign trade made the isolated local banks of the United States no longer adequate for America's necessities, it was assumed that the pooling of resources effected through the Federal Reserve system would suffice to give the co-ordination needed. It is now becoming evident that there is a strong tendency to secure strength and economy in another way—by developing a branch bank sytem," thus the Journal of the Canadian Bankers' Association sums up the present American banking tendency. Canadians like to feel that their banking machinery excites the admiration of American bankers. There have been American bankers who on visits to the Dominion have expressed their belief that Canada had a nearly perfect banking machine. W. P. G. Harding was one of them.

The Trade Acceptance

Five years ago American Bankers incorporated into their daily business practice the trade acceptance, another instance of imitating Canadian banking usage. The trade acceptance—or trade paper as it is technically termed in Canada—has long been one of the fundamentals and principal props of the Canadian banking structure. The trade paper is the simple and effective credit instrument by virtue of which practically the entire international trade of Canada is transacted, as the universal medium of settlement between buyers and sellers of goods of all descriptions and every wholesaler, manufacturer, jobber and retailer throughout the length and breadth of the Dominion is conversant with trade paper and understands its efficacy in handling business. The campaign by American banks for the adoption of the trade acceptance in American banking originated in 1917 and now this main-stay of Canadian banking practice is also one of the chief credit planks in American banking.

Without reflecting in the least upon the energy and ability of American bankers it is interesting to find that a considerable number of Canadian-trained bankers have in the last five years been elevated to positions of banking importance in the United States. It was not, of course, a question of initiative but rather of individual fitness. Canadians trained in Canadian banks, Englishmen and Scotchmen governed by virtually the same policies as that of Canadian banks until the last two or three years were as a rule better qualified to occupy executive positions in the international banking field than the average American bank man. That fact, and the fact that America only recently entered the international banking field explains the apparent discrimination in favor of Britishers for international banking posts.

The Canadian Training

Why Britishers are better trained was partially explained by John J. Lewis, a vice-president of the Guaranty Trust Company of New York some time ago, when writing in the company's house organ he said:—"Many London bank clerks start work for nothing at all or almost nothing. They get a thorough knowledge of banking fundamentals during the first year, and then they receive a small increase. At the end of the third year, if they are proficient, they are sent to some branch bank in a foreign country. In this way they get an experience that is second to none. They see banking from every point of view. When an employee has completed his education, according to the English banking system, he is a very thoroughly trained international banker."

With slight editing this quotation might be said to apply to the Canadian bank man. Entering the service usually at an early and impressionable age he fills in turn every job in the office from junior to manager. In this connection to quote Sir Frederick Williams-Taylor, general manager of the Bank of Montreal, "In times like the present the advantage is seen of our Canadian system under which our men are trained from their youth upward for the chief executive positions in the service—positions open to all—for in this Bank there is no royal road to promotion." Sir Frederick himself is an outstanding example. Before the age of fifteen he started as a junior in the Bank of Montreal, climbing the ladder of office step by step before he reached his present eminence. For the man of ability there is in a Canadian bank and its branches a training school for exceptional scope. In an organization with hundreds of branches there are opportunities for all sorts and conditions of men and those at Head office are always in a position to notice and develop talent in a way that is quite impossible in banks having merely a local business and one office however large. Having these circumstances in mind it is therefore perhaps not altogether surprising that Canadian trained bankers were in demand when American banking institutions toward the close of the war period sought to develop the international banking field. In New York, Chicago, Cleveland, Detroit and other strategic centres Canadian bankers have risen to American banking prominence. Two Canadian trained bank officers originated the pioneer in the chain of American foreign banking enterprises.

Branch Banking in U. S.

Though as recently as at the last annual convention of the American Bankers' Association at Los Angeles last October the national and State banking divisions failed to agree on a concerted policy of branch banking. There continues, nevertheless, to be a decided trend in the United States toward the Canadian system. Branch banking in the United States was first developed by some state banks and trust companies. Whcre it is authorized or at least not forbidden by the banking laws of the United States the development of branches is proceeding rapidly. One of the New York banks now has between 60 and 70 branches. In the city of Detroit there are 15 or 20 branches of various local banks, while the Bank of Italy has opened more than 30 branches in 20 different Californian towns. All told there are now reported to be some 800 branches of State banks in the United States. To offset this competition from the State banks in some States National banks have secured control of State banks which possess the branch privilege. At the reecnt convention of the American Bankers' Association the question was very much to the fore. In the State bank section, dominated by representatives of the banks which fear rivalry or in case of some of the larger institutions who wish to preserve their sole right to the privilege, any extension of branch banking was vigorously condemned. In the National Bank section the contrary stand was taken, and a resolution was adopted requesting Congress to amend the National Bank Act to permit national banks to maintain and operate banks within the corporate limits of their cities in all states that permits State institutions to maintain branches.

Canada a Live Corpse

The proposal was bitterly criticised It was maintained by critics that the resolution would open the way for a few great banking octopuses, and would eventually mean the disappearance of the small banks in whose success the factor of local interest and local knowledge had been regarded as so important. One delegate informed his hearers that the branch bank system in Canada had "deadened human progress; that local managers had no power or initiative and that practically none of the Canadian banks lend money to farmers" and implored the meeting not to tamper with the existing United States system "the most wonderful system on the face of God's footstool." Other speakers denied this indictment, one insisting that "if Canada has been deadened I know from a personal inspection that it is a very live corpse."

The suggestion that National banks be permitted to establish branches was first made at the 1916 convention of the American Bankers' Association. On this occasion the discussion exhibited the now traditional cleavage. The proposal has been advanced at each succeeding convention. W. R. Williams, one time California State Superintendent of Banks, has given it as his opinion "that the time will finally arrive when branch banking will come into its own in the United States."

"It is not likely that there will be any sudden or sweeping transformation of a system which has grown up through years of experience and has become an integral part of the financial habits of the people. Yet it is plain that some modification is in process. In the long run whatever prejudices may exist to-day that method of utilizing the nation's national resources which is most effective and economical will prevail" declares the Journal of the Canadian Bankers' Association in the nature of a forecast.

PRACTICAL SUPERVISION OF BANKS BY AN OFFICIAL OF THE GOVERNMENT MAY FOLLOW MERCHANTS BANK AFFAIR

(Continued from page 17)

gers. It was pointed out that one of these might reside in Montreal, one in Toronto, one in Winnipeg, one in Halifax, one in Vancouver, and so on, checking over not only the head offices, but now and then large branch offices. These men, owing to their special training would be able to report accurately on the credits extended, the commercial loans, and the call loans.

The idea underlying this suggestion was the feeling that a number of firms of accountants are not competent to audit banks, if a comprehensive one is desired, a valuation rather than a mere verifying of the lists presented.

One other opinion as to auditors:

"Counting the cash and the securities and balancing the books is of little use. The only audit that affords real security is one that provides a competent opinion of the value of assets, as represented by loans and discounts. If an auditor merely accepts what he is told he is in the position of the average auditor of an industrial concern who accept the management's estimate of the value of the inventory."

The lists of auditors deemed competent for bank work as the choice of shareholders are submitted by the Canadian Banking Association to the Department of Finance. Here a stricter supervision of the list might lead to a weeding out of firms that are regarded as incompetent for the work.

Driving Directors Out

Much has been said as to the duties of directors of banks. There is a tendency to pass stringent legislation for the future, and yet, as one bank manager urges, the legislation proposed may result in all "decent" directors resigning and only a lot of men going in, and risking their reputations and peace of mind, who would accept for the sake of the directors' fees alone.

Another makes the point that there should be no discrimination against bank directors: that the laws governing the responsibilities of directors of banks should apply equally to directors of all other institutions that touch the public, either through securities held, or from an industrial standpoint.

Another suggestion covers the form of returns made to the government. Under one heading are included loans to banks by the government, and deposits by the government with banks, both being liabilities to the government. As it stands now no distinction is made.

Still another is that the item of "bank premises" should come in for further inspection. Large sums, he claims, are sometimes tied up in premises, that is not apparent to the shareholders or public.

The Investors Attitude

The Merchants Bank affair has induced wide sympathy for the investing public who own bank stock and who may very innocently become the victims of directors "who don't direct." The findings from the investigation now proceeding may be expected to determine the character and extent of the Bank Act alterations in this particular regard. This, and the policy of the united agrarians, as yet awaiting concrete expression, are the two unknown quantities which bear upon the 1923 revision.

Harold C. Bishop, Assistant Secretary, First Federal Foreign Banking Association, writing currently upon the development of banking on this continent said, "Canada perhaps has the most flexible banking system of any country in the world." This striking commentary from an international banking authority in a season of domestic criticism bears out C. A. Bogert, ex-president Canadian Bankers' Association, who, remarking that the Canadian Bank Act, as it at present stands, admirably meets the conditions and requirements of this country and the needs of the people, said, "This, unfortunately, is more fully appreciated by financial experts in other countries than by many sections of the Canadian public."

Post-War Adjustments

Several important carry-overs from the war which continue in Canadian banking practice will very probably be definitely incorporated into our banking fabric in the 1923 rewriting. Notable among the enlarged banking privileges which the country has enjoyed for eight years—springing from the vital need of the crisis—are the "war circulation" and the rediscount privileges. Both of these redounded greatly to the benefit of the farmers, as, indeed, to all Canadian producers.

Finance Act, 1914, empowered the Governor-in-Council, "in case of war, invasion, riot or insurrection, real or apprehended, and in case of any real or apprehended financial crisis," by proclamation to authorize the making of advances from the Department of Finance to the chartered banks, by the issue of Dominion notes upon the pledge of securities deposited with the Minister of Finance, such advances to be made under conditions to be prescribed by the Treasury Board. This provision was embodied in the proclamation of September 5, 1914, and in 1919 was continued in effect "until the end of two years after the conclusion of peace on the termination of the present war between Great Britain and Germany," but Canadian government authorities appear to hold that peace is not fully concluded until a peace treaty with the last belligerent is ratified, and peace is not yet proclaimed with Turkey.

The privilege of rediscount with the Department of Finance has proved of decided national advantage under war and reconstructive conditions and bankers' addresses from time to time in the past two years have recognized that some such emergency arrangement is desirable as a permanent part of the Dominion's financial organization. In this connection it should be noted that the Finance Act, 1914, has not been repealed and, while intended primarily to meet war conditions, it still provides rediscount machinery if the privilege should again be required by the Canadian Banks. All that is needed is a proclamation of the Governor-in-Council; after such shall have been issued the Treasury Board would have wide powers of rediscount.

Sir John Aird, general manager of the Canadian Bank of Commerce, has expressed the opinion that such rediscount provisions as now are in effect are sufficient and that Canada has no need of either a central banking institution or a bank of rediscount. He added that, while the Finance Act, 1914, was primarily a war measure, the principles which it embodies may well serve in times of peace.

H. B. Shaw, general manager of the Union Bank of Canada, has pointed out that the rediscounting privilege was used in large measure to assist farmers and ranchers. Greater curtailment of loans would have been necessary if the banks had been obliged to depend exclusively upon their own resources.

Further legislation may not be necessary to continuance of government treasury rediscounting in times of emergency. On the other hand, it is possible that the principle may be made a permanent feature of Canadian banking by abolishing the necessity for a proclamation. Some legislation to "regularize" such rediscounts seems to be expected; at any rate, it is likely that the principle of treasury rediscounts in times of national emergency or general financial crisis will be continued. Adoption of such principle will assure to the Canadian banks any advantages of central banking or of the Federal Reserve organization in the United States, which are not already possessed under the Canadian branch banking system, and which are considered desirable by conservative authorities on finance.

There can be no denying that definite incorporation of the prime elements of the war time banking into our Bank Act while of national importance will benefit no one class more than the farmers. The extension of the season of crop financing alone would be of immeasurable aid.

Farmers As Directors

Other suggestions, which have been made by bankers are enlarged upon elsewhere, the desirability of having trained bankers as chief executives of the banks and that in view of the important business relations between the banks and the farmers that agricultural interests should be represented on the boards of our banks.

STATE INDUSTRIES SUFFERED HEAVY LOSSES IN DAKOTA

(Continued from page 22)

paid, of which $183,057 is interest accrued but not paid on farm mortgages.

Expenditures in the bond campaign in the Nonpartisan League administration amounted to $266,119 and all of the expense cannot be accounted for, the report says. This includes $3,000 commission paid George T. Webb. The minutes of the bank finance committee showed this transaction as of June 18, 1921, but testimony was given auditors that the minute actually was written November 23, 1921, the day the Nonpartisan administration went out of office, and dated back on orders of F. W. Cathro.

The Bank of North Dakota, the report shows, constituted the most serious situation in the finances of the industries. In addition to the losses reported and which will ultimately result, two deals of questionable character are reported by the auditors.

WROTE HER OWN

"Bluffers and braggarts," said Chairman Lasker of the Shipping Board, "always give themselves away.

"These men, whether they're buying ships or promoting gold mines, give themselves away in the end as naively as the cook.

"Her mistress, entering the kitchen one day, found the cook busy with paper and pen.

"'Why, Snowdrop,' she said, 'I didn't know you could write!'

"'Yas'm,' said Snowdrop complacently. 'Yas'm, ah writes all mah own rac-mendations.'"—Detroit Free Press.

Incorporated 1855

Branches Throughout Canada

THE MOLSONS BANK

HEAD OFFICE

MONTREAL, CANADA

Capital and Reserve $9,000,000

128 Branches in Canada

The present status of The Molsons Bank has been reached by service, by eliminating unnecessary red tape, and by making a man feel that he has a real friend and adviser in The Molsons Bank.

EDWARD C. PRATT,
General Manager

THE BELL TELEPHONE COMPANY
LOCAL
LONG
DISTANCE
TELEPHONE
"Use the Bell
to Sell"

The Quickest Way to Reach the Buyer

Long Distance is maintained at a high degree of efficiency. Connections with distant points were never more quickly established.

"Long Distance enables us to transact business in twenty cities in one day" — says a subscriber.

"We use it to get new customers, to make sales, to order goods, to speed up shipments, verify credits, order new parts for machinery, etc. It multiplies our personal contact with our branches, our salesmen, and the trade.

"We notified our customers that two of our most capable men had been designated to look after Long Distance business. Our Private Branch Exchange operator instantly switches Long Distance calls to one of these men, which gives our customers the advantage of Station-to-Station rates."

Every Bell Telephone is a Long Distance Station

The Names on the Wrappers Are Not All

The net paid circulation of THE FINANCIAL POST at December 31 last was 8,569 (next paper in the field 6,032). At the present time over 9,500 copies of THE POST are distributed weekly. But THE POST has more than 9,500 readers.

There are bank managers who read THE POST carefully, pass it on to their staff for week-end digestion and then loan the copies to business associates. There are many copies of THE POST going to business institutions where they are closely read by as many as a half dozen executive officers. THE POST is to be found in clubs and public and business libraries where each copy has the attention of many men of big purchasing power.

The advertiser in THE FINANCIAL POST is buying the largest circulation of any financial paper in Canada. He is buying the only circulation that is submitted to the independent and authoritative analysis of the Audit Bureau of Circulations. And he is buying a circulation that is not represented fully by the number of subscribers for THE POST goes where it is read and studied by more people than are represented by the mere names on the wrappers.

The FINANCIAL POST Gives the Advertiser "QUANTITY of QUALITY"

INTEREST RATE OF GOVERNMENT MAY INCREASE BANKS'

Competition Grows Keener For the Savings of the People

TAXATION UNFAIRNESS

Banks Contend That Government Can Pay Higher Rate Because It is Not Taxed

WITH THE increasing aggressions of provincial government banking, the chartered banks of the Dominion would appear to be more than ever confronted with the question of an advanced interest rate to attract deposits. If the movement continues to develop and the chartered banks for the protection of their legitimate earning power are compelled to raise the interest rate for savings deposits to compete with the government ventures, Canadian bankers foreshadow an ultimate increase in all borrowing rates, and, as well, a general upward swing to the charges for general banking accommodation.

The chartered banks presumably would act in concert in any decision to pay a 4 per cent. rate for deposits because of the far-reaching effects of the initiation of an additional 1 per cent. Canadian bank rate for savings.

It is understood that Canadian bankers prefer not to raise the interest rate. They realize that it would immediately advance the cost of doing all business in Canada because higher interest rates for saving would necessitate charging Canadian producers more for loans with which to "carry on" all Canadian industry.

The Inevitable Result

Analyzing the situation, C. A. Bogert recently told the Canadian Bankers' Association that "if the movement spreads and the banks for the protection of their own legitimate earning power are compelled to raise the rate of interest on deposits to compete with governments. the inevitable result will be that borrowing rates will have to be increased." Such necessary measures, Mr Bogert emphasized would be a real detriment and drawback to all business enterprise in Canada.

The banking problems which undeniably confront the industries of the Dominion with the further growth of provincial government banking are becoming more apparent. The Canadian Bankers' Association has made clear its apprehensions for Dominion-wide business. To the extent that deposits are withdrawn from the banks and are loaned upon long dated mortgage security, credit to legitimate business, including agriculture as well as commerce must necessarily be curtailed as the banks will certainly have that amount less of money to lend to their customers, who include farmers, merchants, manufacturers and other producers and dealers throughout Canada. If provincial governments think it necessary to advance loans to farmers for the purposes of improving farming properties or for the purchase of agricultural equipment Canadian bankers maintain that the funds for these purposes should be secured by the loan of long-term debentures, which may be met at maturity if necessary by re-funding. In this way the liquidity of national banking is not seriously disturbed.

Taxation Unfairness

From the national viewpoint it may be a serious matter if the provincial banking experiments are to endanger the economic strength of our banking machinery. "To impose heavy taxes on the banks and then establish Government opposition, paying unhealthy rates for deposits and operating the machinery in a manner which makes it possible to draw on the public pocket book to cover deficits is both unfair and unsound," in the words of the former president of the Canadian Bankers' Association.

Canadian business men are quickening to a fuller recognition of the weaknesses of provincial banking, accompanied as it has been in its initial work-out by the paternalism of the Manitoban government. The province of Manitoba has accumulated quite a little money, $3,389,335 up to November 30. last, acocrding to official report. This is now sequestered for the benefit of a small proportion of the community.

It is disturbing, bankers point out, that during a period of steadily increasing expenditure of public funds we find our governments seeking to augument their resources by securing on attractive terms in direct competition with the banks, public savings which will be tied up in long term debentures. Furthermore our chartered bankers contend, the handling of these funds and the loaning of them are supervised by officials without the necessary training or experience and without the proper consideration of the cost of maintenance of the necessary departments.

The economic consequences of these experiments in finance and banking are beginning to assert themselves, and the known results are sufficiently disconcerting to make business interests apprehensive of the unknown results, and of fresh ventures as they come to be proposed. For instance: the latest report of the Saskatchewan Farm Loan Board admits a disconcertingly steady decrease in the proportion of interest paid by its borrowers each year since the inauguration of the government financing in 1918. Only 58 per cent was collected in 1919; 46 per cent. in 1920 and 37 per cent. in 1921. These figures are inclusive of arrears which makes them all the more unsatisfactory. The Manitoban government refuses to admit that its banking ventures have brought direct losses to the provincial treasury, but the Manitoba Farm Loans' Association report reveals that "a few small accounts" are still due from 1919, about $23,000 from 1920 while 30 per cent. of the 1921 payments remained to be collected when the fiscal year ended. No real endeavor has yet been made by the provincial governments to enforce collection and in the opinion of the former president of the Canadian Bankers' Association as expressed to the last annual meeting of the association, "losses cannot be ascertained until a real endeavor is made to collect debts."

Attitude of the Banks

The attitude of the Canadian Bankers as an organization is made clear in the following enunciation of C. A. Bogert:—"If provincial governments considered it necessary, which is very doubtful, to enact legislation under which advances are to be made to the farming community, no special exception could be taken by the Canadian banks although they are undoubtedly able to supply all the needs of deserving borrowers.

"The great part that has been played by the Canadian banks in aiding and developing Canadian agriculture and the marketing of Canadian farm products through their credit system, is well known and has been favorably commented upon by all agricultural countries in the world. It is a fact that in no section of this continent have loans to farmers been upon a more favorable basis as to interest rates, than in Canada. It has been by reasons of the mobility of the Canadian banking system, gathering deposits where money accumulates and lending it where most needed, that the Canadian banks have been able to accomplish this result and we cannot without a feeling of grave apprehension view an innovation which must have a most serious effect upon the ability to obtain these deposits which are the life blood of business, upon whose continuous flow through the arteries of production, trade and commerce, the welfare of the whole nation greatly depends."

Banking Service Simplifies Travel

Overheard on the Wolverine to New York—The First Leg of a Trip to Europe

Bulletin of the Old National Bank of Grand Rapids.

I KNOW I would have enjoyed this trip to Europe much more if it hadn't taken so much of my time to plan and prepare for it. The last few days have been a nightmare. I have literally spent weeks arranging all kinds of details, obtaining suitable accommodations, passports, etc., and even now I am not sure that there won't be a hitch in my plans. I am already worried about the kinds of funds I am carrying."

"Thank goodness, I don't have to worry! I know that my trip will be a delightful one and that every detail has been well arranged. All that I did was to go into my bank, tell the Foreign Department where I wanted to go, how much I wanted to spend, and they did the rest."

"What? Do you mean to tell me that there is a bank in Grand Rapids that has the facilities and connections to render service like that?"

"Exactly so. The Old National through its Foreign Department is unusually well equipped to give just that kind of service and in its characteristically efficient way."

"I might have known you meant the Old National. It is right in line with the spirit of that progressive institution to offer every known banking facility for the convenience and service of their customers and friends.

"It is really a pleasure to bank at The Old National."

"It must be. Tell me just what they did to arrange your trip."

"I happened to be talking to Mr. Hollister one day about my proposed trip to Europe and he suggested that I talk over my plans with the Foreign Department. I just told them when and where I wanted to go and they at once assisted me in obtaining my passport. They also procured the necessary vises. I told them to go ahead and use their own judgment about the itinerary and include all points of interest. This they did and planned out my entire trip for me—and I think it is an unusually good one."

"Where are you going?"

"Well, they booked my passage on a Mediterranean liner from New York to Naples, stopping at various ports en route. From Italy I take in the Riveria, then up to Oberammergau where the Passion Play is to be given this year for the first time in twelve years. Next I go to Switzerland, Paris and a tour of the battle fields. From Paris I am going to Brussels. After visiting some of the historic places of Belgium, I will go over to Holland for a short visit and then to England and Scotland. My return passage has been reserved from Glasgow."

"How can the bank make all these arrangements for you?"

"You see, they are authorized agents for all steamship lines with sailings to all parts of the world, and they also represent automobile tourist agencies in Europe. Further than that, The Old National can arrange for your passage on an air line between London and Paris, and by the way, they have booked me for an aerial sight-seeing flight over New York in one of the Aeromarine Flying Boats. A complete circuit is made of Manhattan Island. I wanted to take this trip because one can get such a wonderful view of lower New York which could not be obtained in any other way."

"Your plans have certainly been well arranged. What did The Old National do in regard to your funds?"

"Here the advice of the bank was very valuable. They have supplied me with a Letter of Credit, Travelers' Cheques, some drafts payable in foreign moneys and a supply of actual currency of the various countries which I am going to visit. This they recommended for tips, cab fares, etc."

"There is no denying the fact that The Old National has relieved you from all care, worry and inconvenience, and I surely will have them arrange for my next trip."

"Oh! that isn't all. My hotel accommodations in New York have been reserved as well as seats for two of the best plays now on Broadway. Furthermore, they have given me letters of introduction to their correspondents in Europe and have arranged for the forwarding of my mail through their London and Paris connections. You see that I shall enjoy my trip to the utmost, knowing that all details have been well taken care of and just think! I didn't spend an hour's time on it myself."

"Well, this is the first time I knew that one could get such complete service at a Grand Rapids bank."

"Wait a minute—I'm not through yet. While at The Old National I left with the Savings Department all my coupons due the first of the month for which they gave me a receipt. These will be deposited on the first and they will put the proceeds in a certificate of deposit for me bearing 3½%. Furthermore, while in the bank I consulted the Bond Department, whose manager purchased from me my Victory Bonds at a premium and sold me in exchange some 5½% Province of Ontario Bonds due 1937. I made a very good exchange and my money is now invested until 1937 at 5½% in obligations of the Province of Ontario."

"Why, a big metropolitan bank couldn't do more for its customers. Such a bank as The Old National is a great asset to Western Michigan."

"It certainly is. In this morning's Herald they advertised "a complete banking service." I cannot see how a bank could render a service any more complete, can you?"

"I can't, either. It is complete enough for me and upon my return from Europe I propose to open an account at The Old National Bank. That bank is giving Grand Rapids the kind of service that entitles it to my support and it is going to have it."

VALUE OF SELF-CONTROL

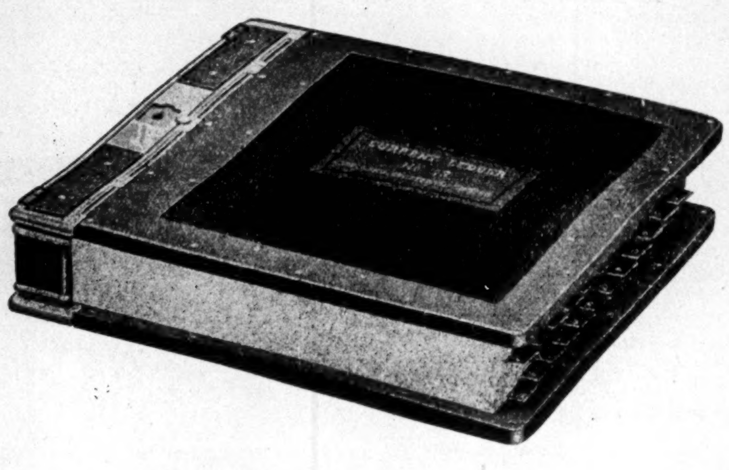
During thirty years of association with John D. Rockefeller, first as stenographer and later as financial secretary, George D. Rogers, never once saw Mr. Rockefeller lose his temper.

"Undoubtedly," says Mr. Rogers, "Mr. Rockefeller had early learned that self-control was a short cut to the control of both men and events."

Henry M. Flagler, on the other hand, used to let his temper go, and later on, just to square himself with those whose feelings he had hurt unnecessarily, he'd make them extravagant presents.

The man who loses his temper is in the position of admitting to all who witness his exhibitions that he is not master of himself. A loss of temper means loss of self-control. No man can enjoy the luxury of losing his temper regularly and enjoy long life. Neither can such a man win the loving loyalty of his associates.—Tom Dreier, in Forbes Magazine.

COPELAND-CHATTERSON
HAVE ADAPTED VULCANIZED FIBRE
TO LOOSE-LEAF LEDGER BINDER COVERS



STYLE "A" FIBRE COVER

THE PANEL COVER—made of several thicknesses of Vulcanized Fibre built up so that the binding material used in the panel is below the level of and protected by the wearing surface.

STYLE "B" FIBRE COVER

THE SOLID COVER—made of several thicknesses of Vulcanized Fibre joined together with a special chemical solution, and then drawn down under pressure and held securely by Bronze Rivets spun over on the under side.

¶ Up to the present time the covers of our Loose-Leaf Ledger Binders have been built of Binders' Board, specially constructed, and this base covered with Corduroy and genuine Leather. This style of Cover has in a general way served the user satisfactorily, and still there has been a feature about them which has made us seek diligently for a possible improvement.

In using Vulcanized Fibre in our Ledgers we are not experimenting, but simply making a new application of a material most excellently adapted to the purpose. It has long been recognized by manufacturers as having the greatest strength, toughness and wearing resistance of anything outside of metal itself, and even greater than some of the softer metals.

Fibre in connection with the Covers will make our Ledger Binders more economical to customers.

BRANCH OFFICES IN HALIFAX, QUEBEC, MONTREAL, TORONTO, HAMILTON, LONDON, WINNIPEG, REGINA, CALGARY AND VANCOUVER

TRADE COPE-CHAT MARK COPELAND-CHATTERSON, LIMITED, BRAMPTON, ONTARIO TRADE COPE-CHAT MARK